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The Children's Market: Infants', Toddlers', Girls', Boys'

(Apparel, Playthings, & Related Products)

FAIRCHILD FACT FILE

Prepared by
Market Research Division
Audrey S. Balchen, Director

Kenneth Greenman, Research Analyst

Distributed through
Book Division
Fairchild Publications
Division of Capital Cities Media, Inc.
New York

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E. B. Gold, Manager
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Standard Book Number: 87005-589-5

Printed in the United States of America

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NOTE

In reporting on the many developments taking place in the children's market, this Fact File approaches the subject with three distinct sections. The first details the major demographic trends that are affecting the market, including birthrates, household income and school enrollment. The next two sections focus on the principal product categories-apparel and juvenile products/toys & dolls. Apparel covers girls', boys' and infants' wear, detailing developments at both the manufacturing and retail levels. The juvenile products section covers such essentials as cribs, strollers, and bedding. Manufacturing and retailing trends of toys and dolls cover playthings for infants and children, with more of an emphasis on products small children play with, such as plush toys.

DEMOGRAPHIC TRENDS

Births

American women had babies in 1986 at the lowest rate ever recorded. For every 1,000 women age 15 to 44, there were only about 65 births, a fertility rate 2% lower than in 1985. The number of births declined by 18,000 to reach 3,731,000. This reverses the annual increase noted in the number of births in the first half of 1980. The downward trend is expected to continue, and deepen as the large group of baby boom women, most of whom are now more than 30 years old, age beyond their prime childbearing years. The number of children in the population is now at the highest level to be reached for the foreseeable future.

However, nearly half the children born today are first children, as opposed to one in four in the baby boom years. In addition, more than half have working mothers, and many babies (an estimated 25%) are born into families below the poverty level, although a higher percentage than ever before are in two-income, affluent families. Typically, parents spend more for goods and services for their first child. With these favorable factors, and the assistance of doting grandparents, the market for a wide variety of children's products is expected to continue to grow. (Note: For detailed data on birth trends and other demographic trends, see the Fact File on CONSUMER MARKET DEVELOPMENTS.)

The U.S. Bureau of the Census has compiled a profile of 3,497,000 women who gave birth in the 12-month period ending June 1985, which is summarized below.

Characteristics of Women Age 18-44 Years Who Gave Birth
In 12 Months Ending June 1985

Total number (thousands)	3,497
Percent	100.0%
Age: 18 to 19 years	71.9
30 to 44 years	28.1
Marital status:	
Married, husband present	76.6
Married, husband absent	5.5
Single	13.8
Widowed, divorced	9.6
Labor force status:	
In labor force	48.4
Employed	41.1
Unemployed	7.3
Not in labor force	51.6
Occupation:	
Managerial/professional	9.9
Technical, sales, administrative support	18.5
Service workers	7.0
Other	5.7

(continued)

DEMOGRAPHIC TRENDS

Births (continued)

Characteristics of Women Age 18-44 Years Who Gave Birth In 12 Months Ending June 1985
(continued)

Family income:	
Under $10,000	23.4%
$10,000-$19,999	24.1
$20,000-$29,999	19.9
$30,000-$34,999	29.1
$35,000 & over	18.2
Not reported	3.5
Residence (region):	
Northeast	20.2
Midwest	22.8
South	34.3
West	22.7

Source: U.S. Bureau of the Census, Current Population Reports: *Fertility of American Women: June 1985* (Series P-20, No. 406)

Population Projections

Census Bureau projections of the U.S. population are based on a series of assumptions as to future growth in fertility, mortality, and net immigration. The figures below represent the middle series and they have proven to be fairly close to actual population trends thus far.

The significant growth projected in the number of 8 to 14 year olds in 1994 over the present reflects the maturing of children born during the upturn in births in the early 1980's. Many of these children are the offspring of the baby boom generation. As the baby boom generation passes its peak child-bearing years, the number of children born in the 1990's should decline, reflected in the projected 4.2% decline in the number of infants under 1 year old in 1994 compared with 1987.

U.S. Population By Single Years of Age-- Infants, Children, Youths Middle Series Projections*--1987, 1994
(Numbers in thousands)

	Total		% Change	Male		Female	
	1987	1994	1994/87	1987	1994	1987	1994
Youth, 16 years & younger, total	59,695	63,404	+ 6.2%	30,534	32,437	29,160	30,966
Under 5 years	18,866	18,823	- 0.2	9,656	9,635	9,209	9,188
Under 1 year	3,834	3,671	- 4.2	1,963	1,880	1,871	1,792
1 year	3,810	3,721	- 2.3	1,950	1,905	1,860	1,816
2 years	3,780	3,770	- 0.3	1,935	1,930	1,845	1,840
3 years	3,743	3,814	+ 1.9	1,916	1,952	1,827	1,862
4 years	3,699	3,847	+ 4.0	1,893	1,969	1,806	1,878

(continued)

Population Projections (continued)

U.S. Population By Single Years of Age-- Infants, Children, Youths Middle Series Projections*--1987, 1994

(Numbers in thousands)
(continued)

	Total		% Change	Male		Female	
	1987	1994	1994/87	1987	1994	1987	1994
5 to 9 years	17,511	19,281	+10.1	8,954	9,866	8,557	9,415
5 years	3,662	3,868	+ 5.6	1,873	1,979	1,789	1,888
6 years	3,616	3,874	+ 7.1	1,850	1,982	1,766	1,892
7 years	3,589	3,867	+ 7.7	1,834	1,979	1,755	1,888
8 years	3,387	3,849	+13.6	1,732	1,970	1,655	1,880
9 years	3,257	3,823	+17.4	1,665	1,956	1,592	1,867
10 to 14 years	16,139	18,552	+14.9	8,253	9,487	7,886	9,064
10 years	3,275	3,788	+15.7	1,675	1,938	1,600	1,850
11 years	3,172	3,746	+18.1	1,622	1,916	1,550	1,829
12 years	3,234	3,711	+14.7	1,655	1,898	1,579	1,814
13 years	3,166	3,666	+15.8	1,619	1,875	1,547	1,791
14 years	3,292	3,640	+10.6	1,682	1,860	1,610	1,780
15 & 16 years	7,179	6,748	- 6.0	3,671	3,449	3,508	3,299
15 years	3,413	3,439	+ 0.8	1,745	1,758	1,668	1,681
16 years	3,766	3,309	-12.1	1,926	1,691	1,840	1,618

*Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Source: U. S. Bureau of the Census, Current Population Reports, Series P-25, No. 952 (May 1984)

Population By Region

The number of preteens is expected to decline, while the number of teenagers is expected to increase as the nation moves into the 1990's. Projections of the population by the Census Bureau show that the South and West will account for an increasing proportion of both the preteen and teen market in the 1990's at the expense of the Northwest and Midwest regions.

A Census Bureau report for 1984 shows the number of children under age 5 rose 18% in the West compared with 1980 in contrast with a 9% national growth rate. In the South, the increase was 11%; in the Northeast, 5%; in the Midwest, 2%. Alaska led all states with a 43% gain in the number of preschoolers, followed by Florida with a 26% gain. The only states that have lost preschoolers since 1980 were West Virginia, Michigan, Indiana, Kentucky, Iowa and Alabama.

The number of children 5-17 years old dropped 5% nationally. The West held even; there was a 3% drop in the South; 8% in the Midwest and 11% in the Northeast. States with the biggest declines were Connecticut, Massachusetts, Maryland, Michigan and Delaware. Big gainers were Utah, Alaska, Wyoming and Idaho. The following table shows the distribution of the youth population on a regional basis. The South has the biggest concentration of the young and this concentration is expected to intensify by the year 2000.

Population By Region (continued)

Resident Population By Region: July 1985

	All Ages	Selected Age Groups Under 5 years	5 to 14 years	15 to 24 years
Number (thousands)	238,740	18,037	33,924	39,545
Percent	100.0%	100.0%	100.0%	100.0%
Northeast	20.9	18.4	19.2	20.8
Midwest	24.8	24.8	25.7	24.9
South	34.3	34.6	35.0	34.8
West	20.0	22.2	20.1	19.5

Source: U.S. Bureau of the Census, Current Population Reports: State Population & Household Estimates to 1985 (Series P-25, No. 998)

Population Projections By Region: 1990 and 2000

	All Ages	Under 5 Years	5 to 9 Years	10 to 14 Years	15 to 19 Years
1990					
Number (thousands)	249,203	19,200	18,600	16,776	16,895
Percent	100.0%	100.0%	100.0%	100.0%	100.0%
Northeast	19.4	17.2	17.0	17.8	18.6
Midwest	24.2	24.9	24.9	25.1	24.6
South	35.2	35.1	35.2	35.6	36.6
West	21.2	22.8	22.9	21.5	20.2
2000					
Number (thousands)	267,462	17,624	18,758	19,519	18,888
Percent	100.0%	100.0%	100.0%	100.0%	100.0%
Northeast	17.3	15.1	15.4	16.0	15.8
Midwest	22.3	22.9	22.9	23.2	23.0
South	37.0	36.8	36.7	36.7	37.1
West	23.4	25.2	25.0	24.1	24.1

Source: U.S. Bureau of the Census, Current Population Reports: Provisional Projections of the Population of States (Series P-25, No. 937)

Families/Households With Children

The Census Bureau has reported a total of 62,609,000 children under 18 years of age in households as of 1985, down from 63,492,000 in 1980 and 69,152,000 in 1970. Just half (49.6%) of family households, or 31,112,000, had own children under 18 years old in 1985, and these children numbered 60,784,000.

Families/Households with Children (continued)

Family Households With Own Children Under 18: March 1985

	Number	Percent
All families	62,706	100.0%
With own children under 18	31,112	49.6
Age 6 to 17 only	16,911	27.0
Some 6 to 17, some under 6	6,204	9.9
Under 6 only	7,997	12.7

Source: U.S. Bureau of the Census, Current Population Reports: Household & Family Characteristics, March 1985 (Series P-20, No. 411)

There has been a tremendous increase in one parent family households, now more than double the 1970 total, and most of these parents are women. What is described as "the continuing breakup of the American family", as reflected in rising divorce and separation rates and the increasing number of women giving birth out of wedlock, has led to one in five of all children living in a single parent, female headed household. There is a clear relationship between child poverty and households headed by single women. Only 10% of two parent families with children are below the poverty line, yet 46% of female headed households with children fall into this classification. Put another way, 25% of babies today are born into families at the poverty level.

Family Groups With Children Under 18 Years of Age: 1970-1985
(Numbers in thousands)

	1985		1980		1970	
	Number	Percent	Number	Percent	Number	Percent
All races (White, Black, Other)						
Family groups with children	33,353	100.0%	32,150	100.0%	29,631	100.0%
Two parent groups	24,573	73.7	25,231	78.5	25,823	87.1
One parent groups	8,779	26.3	6,920	21.5	3,808	12.9
White						
Family groups with children	27,629	100.0	27,294	100.0	26,115	100.0
Two parent groups	21,873	79.2	22,628	82.9	23,477	89.9
One parent groups	5,757	20.8	4,664	17.1	2,638	10.1
Black						
Family groups with children	4,659	100.0	4,074	100.0	3,219	100.0
Two parent groups	1,856	39.8	1,961	48.1	2,071	64.3
One parent groups	2,802	60.1	2,114	51.9	1,148	35.7

Note: Includes family households, related in subfamilies, and unrelated subfamilies.

Source: U.S. Bureau of the Census, Current Population Reports: Household & Family Characteristics, March 1985 (Series P-20, No. 411)

Families/Households With Children (continued)

As of March 1985, there were 60,784,000 children under 18 years of age living with one or both parents. The mean family income for all of these children was $28,061. However, for the 46,149,000 children under 18 (76% of the total) living with both parents, the mean was $33,182.

Almost 23% of the children under 18 were in families with incomes of $40,000 or more. Older children are more likely to have parents who have moved up the earnings scale. Among those age 12 to 17 years, almost 30% were in families with annual income upwards of $40,000; about 18% were in families with incomes of $50,000 or more compared with only about 9% of the children under six.

Distribution By Family Income In 1985
Of Children Under 18 Years of Age Living With One or Both Parents

(Numbers in thousands)

Family Income	Total Under 18		Under 6 Yrs.		6 to 11 Yrs.		12 to 17 Yrs.	
	No.	%	No.	%	No.	%	No.	%
Under $10,000	12,242	20.1%	5,245	24.9%	3,781	19.8%	3,215	15.6%
$10,000-$14,999	6,210	10.2	2,383	11.3	1,929	10.1	1,898	9.2
$15,000-$24,999	12,373	20.4	4,462	21.2	4,044	21.1	3,868	18.7
$25,000-$39,999	16,117	26.5	5,454	25.9	5,145	26.9	5,520	26.8
$40,000-$49,999	6,213	10.2	1,712	8.2	2,005	10.5	2,496	12.1
$50,000 & over	7,628	12.6	1,782	8.5	2,209	11.6	3,636	17.6
Mean average	$28,061		$24,413		$27,751		$32,006	
Number of children	60,784	100.0	21,039	100.0	19,114	100.0	20,631	100.0

Source: U.S. Bureau of the Census, Current Population Reports, Marital Status and Living Arrangements: March 1985 (Series P-20, No. 410)

Data for 1986 indicates that 36% of married women and 47% of single women with children under 18 years of age worked full time. The proportion was lowest for those with very young children. Among married women with children aged 6 to 17, 45% worked full time but among those with children under 6, only one third worked full time. About 54% of married women with children under 6 worked either full or part time.

Studies indicate that working women who delay motherhood earn considerably more than mothers who have children at an early age. Women now in their 30's who did not become mothers until after their 27th birthday receive wages 36% higher, on average, than women who became mothers before age 22. They also earn 18% more than those who had their first child between the ages of 22 and 26.

Since there is greater potential loss of earnings due to interruption in employment for these working women, there has been a trend toward a more rapid re-entry into the labor force after giving birth. There is a continuing trend toward one child households and also a large amount of discretionary income in these households for expenditures or children's wear and playthings.

Families/Households with Children (continued)

Families With Children Under 18 Years By the Employment Status of Parents And Type of Family, Fourth Quarter 1986

(Numbers in thousands)

	With children under 18	With children under 6
Total families (number)	31,608	14,437
Married couple families (number)	24,246	11,682
Percent	100.0%	100.0%
With employed parent(s)	95.9	95.5
Both employed	56.7	50.8
Father or mother employed	34.1	39.6
Father or mother unemployed	5.1	5.1
With no employed parent	4.1	4.5
Families maintained by women (number)	6,412	2,437
Percent	100.0%	100.0%
Mother employed	61.7	46.6
Mother not employed	38.3	53.4
Families maintained by men (number)	950	319
Percent	100.0%	100.0%
Father employed	82.3	81.8
Father not employed	17.7	18.2

Source: U.S. Bureau of Labor Statistics
New release on Employment & Earnings Characteristics of Families (Feb. 4, 1987)

Characteristics of Households With School Children 5 to 18 Years Old: 1985

(Numbers in thousands -- Households as of March 1986)

		Household Money Income		
	Total	Under $10,000	$10,000 to $19,999	$20,000 and over
Total, Households with school children 5 to 18 years old	26,940	3,901	4,898	18,141
Type of residence:				
Inside metropolitan areas	20,660	2,865	3,393	14,401
Inside central cities	7,926	1,795	1,573	4,558
Outside central cities	12,734	1,071	1,820	9,842
Outside metropolitan areas	6,280	1,037	1,504	3,741
Region:				
Northeast	5,339	765	828	3,747
Midwest	6,812	983	1,094	4,735
South	9,431	1,522	2,045	5,863
West	5,358	633	929	3,796

(continued)

Families/Households with Children (continued)

Characteristics of Households With School Children 5 to 18 Years Old: 1985
(Numbers in thousands -- Households as of March 1986)
(continued)

	Total	Household Money Income Under $10,000	 $10,000 to $19,999	 $20,000 and over
Race of householder:				
White	22,122	2,482	3,751	15,887
Black	3,916	1,283	982	1,651
Spanish origin	2,369	623	599	1,148
Type of household:				
Family households	26,676	3,862	4,840	17,975
Married couple families	19,871	1,199	2,977	15,694
Male householder, no wife present	947	144	198	604
Female householder, no husband present	5,858	2,518	1,664	1,676
Nonfamily households	264	40	58	167
Male householder	235	37	49	149
Female householder	29	3	9	17
Age of householder:				
15 to 24	512	269	123	121
25 to 34	7,626	1,632	1,799	4,245
35 to 44	11,557	1,183	1,786	8,587
45 to 54	5,042	443	746	3,854
55 to 64	1,583	233	275	1,073
65 years and over	571	142	169	260
Mean age of householder	40.0	na	na	40.8
Number of children 5 to 18 years old:				
One child	13,660	1,952	2,475	9,232
Two children	9,123	1,189	1,557	6,377
Three children	3,044	532	593	1,918
Four children	788	150	196	443
Five children or more	325	80	75	171
Mean number of children	1.71	na	na	1.68

na not available

Source: U.S. Bureau of the Census:
Current Population Reports,
Consumer Income, Series P-60, No. 155

SCHOOL ENROLLMENT

High birth totals in the first half of the 1980's and the increase in the number of working mothers has resulted in increases in nursery school and kindergarten enrollment. In 1985, nearly 2.5 million children were enrolled in nursery school, a gain of 25% since 1980. Of the total population age 3 and 4 years, 39% were enrolled, up from 31% in 1975 and 20.5% in 1970. Kindergarten enrollment was up 20.1% from 1980 to 1985.

With more and more mothers working and returning sooner than ever to their jobs after giving birth, preschool enrollment has, in many cases, been made a necessity. As the children of baby boomers grow up in the 1980's and 1990's, and with the expected dropoff in the birth rate as the baby boomers themselves age, nursery and kindergarten enrollment will decline. However, there will subsequently be a significant gain at the elementary and high school levels, which have been experiencing falling enrollment thus far in the 1980's. As the growth pattern moves along the age scale in coming years, it will be around the mid-1990's when high school enrollment has its big increase.

Enrollment in Nursery School & Kindergarten: 1980, 1985
(Numbers in thousands)

Number Enrolled	1985	1980	% Change 1985/80
Preprimary school, total	6,306	5,163	+ 22.1%
Nursery school, total	2,491	1,987	+ 25.4
Public	854	633	+ 34.9
Private	1,637	1,354	+ 20.9
Kindergarten, total	3,815	3,176	+ 20.1
Public	3,221	2,690	+ 19.7
Private	594	486	+ 22.2
Percentage of Children Enrolled in School			1970
Age 3 and 4 years	38.9%	36.7%	20.5%
Age 5 and 6 years	96.1	95.7	89.5

Enrollment in Elementary School & High School: 1980, 1985
(Numbers in thousands)

Number Enrolled	1985	1980	% Change 1985/80
Elementary school, total	26,866	27,449	- 2.1%
Public	23,803	24,398	- 2.4
Private	3,063	3,051	+ 0.4
High School, total	13,979	14,556	- 4.0
Public	12,764	13,249*	- 3.7
Private	1,215	1,100*	+ 10.4

* 1981 data; 1980 data not available

Source: U.S. Bureau of the Census, Current Population Reports: Population Characteristics, Series P-20, No. 409 (September 1986)

SCHOOL ENROLLMENT

Percentage of Children 3 to 17 Years Old Enrolled in School: 1980, 1985

	1985	1980
Children 3-17 enrolled in school (number)	46,360	46,294
Percent enrolled by age:		
3-4 years	38.9%	36.7%
5-6 years	96.1	95.7
7-13 years	99.2	99.2
14-17 years	94.9	93.6
Boys 3-17 enrolled in school (number)	23,621	23,604
Percent enrolled by age:		
3-4 years	36.7	37.8
5-6 years	95.3	95.0
7-13 years	99.2	99.2
14-17 years	95.4	93.9
Girls 3-17 enrolled in school (number)	22,739	22,690
Percent enrolled by age:		
3-4 years	41.2	35.5
5-6 years	97.0	96.4
7-13 years	99.3	99.3
14-17 years	94.5	93.3

Source: U.S. Bureau of the Census,
Current Population Reports, Series P-20, No. 409
(September 1986)

THE CHILDREN'S MARKET: APPAREL

Market Trends

When children's wear manufacturers and retailers were asked in late 1986 to forecast what 1987 had in store for them, the general consensus was that increases would be modest. Coming off a good--but not great--1986, they predicted lower gains for 1987, citing the uncertain national economy, particularly on questions of trade policy and the impact of the new tax law.

Though retail sales in 1987 have buoyed the industry, soaring imports continue to make prospects uncertain. Ailing domestic textile and apparel manufacturers are seeking salvation in the new Democrat-led Congress, hoping that it will prove to be more sensitive to their needs. They want Congress to inhibit imports of both raw materials and made-up goods, expressing optimism since many of the new members are from the South, where much of the domestic production is done. There is also a move for states to pass legislation exempting purchases of up to $100 in children's apparel from sales tax.

One of the strategies adopted by children's wear manufacturers to counter foreign competition has been to source their products abroad either directly from foreign producers or to establish their own plants in nations that offer the advantage of low labor costs. Manufacturers have also taken advantage of Item 807 of the U.S. Tariff Code, which allows domestic producers to cut fabric for the various parts of a garment, ship the parts to a foreign nation for assembly, then reimport the assembled garments, paying duty only on the value added abroad. The Caribbean Basin and Mexico are prime locations for this option.

In addition to imports, children's wear manufacturers are being squeezed by the proliferation of retailers' private label programs, particularly in large department stores. This has prompted some manufacturers to diversify into product lines aimed at the specialty store segment of the market. While there is evidence that retailers are trying to achieve a better balance between private label and branded merchandise, many retailers continue to rely on private brands as they have for many years. Sears, for one, just recently signed a marketing deal with McDonald's Corporation to produce McKids playwear, which is projected to be substantially more than a $50 million line. It is expected to be in stores in time for back-to-school sales.

Higher household incomes as a result of working women waiting longer to become mothers has encouraged the opening of many new children's wear operations, to the point that the market may now be oversaturated. Specialty stores such as The Children's Place, Kids Mart and Kids "R" Us have expanded their businesses rapidly, but have encountered increasing competition from discount stores covering the low-end of the market and department stores covering the high-end. Other chains, including U.S. Kids, the children's wear division of U.S. Shoe, have ceased operations, preferring to concentrate on areas where they have more experience.

This crowded environment has not deterred some retailers from expanding into children's wear, feeling that there are untapped markets both on a regional basis and in terms of merchandise (for example, a specialty store concept focusing just on infants' wear). New players in the field include The Gap, which recently opened its first The Gap Kids in Hillsdale, Calif. and Benetton, which has both freestanding locations and departments within its traditional stores. The key is a finely focused merchandise strategy.

Market Trends (continued)

One new children's wear store concept is a direct reflection of the pervasive role that licensing plays in apparel sales. In April 1987, Walt Disney Co. opened its first retail store outside its theme parks in Glendale, Calif. The 2,000 square foot store sells all manner of children's wear, toys, and gifts utilizing the ubiquitous Disney characters. The licensing industry is presently a $54 billion business in the U.S., with apparel and accessory products--much of it children's wear--accounting for 38% of the total. A mix of new toys and the resurgence of cartoon characters have helped the licensing industry do a booming business in all areas of children's sportswear, sleepwear, underwear, T-shirts and swimwear.

GENERAL INDUSTRY STATISTICS: APPAREL

A complete census of all manufacturers in the U.S. (with one or more paid employees) is compiled every five years by the U.S. Bureau of the Census. Results from the latest (1982), covering operations in the children's wear industry, are covered below. Also, comparable data has been reported by the Census Bureau for 1983-1985 in the Annual Surveys of Manufactures. These surveys use a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity during intercensal periods.

The children's dress/blouse and coat/suit industries have been declining in both the number of establishments and their output over the last few years. The number of production workers dropped down 15.5% and 26.7%, respectively, in 1985 from the year before. In contrast, companies manufacturing other types of outerwear, such as tops, playwear, swimwear, robes, skirts and headwear had a positive year in 1985. The value of these shipments rose 11.5% for the year, while the number of production workers went up nearly 3%. (Employment data for 1986, as compiled by the Bureau of Labor Statistics, is covered in the section on EMPLOYMENT & EARNINGS.)

Children's Dresses & Blouses (SIC 2361*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	490	--
Number of establishments, total**	na	479	511	556	--
Number with 20 or more employees	na	334	350	391	--
Employees, total (thous.)	26.7	31.4	36.0	37.7	-15.0%
Production workers (thous.)	22.3	26.4	30.9	32.4	-15.5
Payroll (mil. $)	$291.9	$327.4	$342.1	$357.3	-10.8
Value added by manufacture# (mil. $)	678.6	682.7	762.9	745.9	- 0.6
Value of industry shipments## (mil. $)	1,268.7	1,332.0	1,400.9	1,417.7	- 4.8
Capital expenditures, new (mil. $)	13.2	11.3	7.6	11.6	+16.8
Machinery and equipment (mil. $)	na	na	na	9.1	--

Children's Coats & Suits (SIC 2363*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	71	--
Number of establishments, total**	na	66	66	81	--
Number with 20 or more employees	na	38	34	51	--
Employees, total (thous.)	3.6	4.8	5.8	6.3	-25.0%
Production workers (thous.)	3.3	4.5	4.8	5.5	-26.7
Payroll (mil. $)	$ 36.4	$ 43.3	$ 47.6	$ 52.6	-15.9
Value added by manufacture# (mil. $)	88.9	95.0	133.3	103.6	- 6.4
Value of industry shipments## (mil. $)	144.6	172.5	211.0	193.1	-16.2
Capital expenditures, new (mil. $)	0.9	na	na	1.4	--
Machinery and equipment (mil. $)	na	na	na	0.9	--

(continued)

Children's Outerwear, not elswhere classified (SIC 2369*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	279	--
Number of establishments, total**	na	297	330	332	--
Number with 20 or more employees	na	211	213	216	--
Employees, total (thous.)	29.6	28.7	27.4	27.6	+ 3.1%
Production workers (thous.)	25.2	24.5	22.5	23.3	+ 2.9
Payroll (mil. $)	$ 319.9	$297.3	$ 266.0	$262.8	+ 7.6
Value added by manufacture# (mil. $)	702.8	676.5	573.6	597.8	+ 3.9
Value of industry shipments## (mil. $)	1,327.6	1,190.2	1,068.4	1,102.4	+11.5
Capital expenditures, new (mil. $)	12.5	10.8	14.6	17.1	+15.7
Machinery and equipment (mil. $)	na	na	na	12.0	--

na not available

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system (1972) determined by the principal product made, as shown below:

SIC 2361 comprises establishments primarily engaged in manufacturing girls', children's, toddlers' and infants' dresses, blouses, waists, and shirts, cut and sewed from purchased woven or knit fabric.

SIC 2363 covers establishments primarily engaged in manufacturing girls', children's, toddlers' and infants' coats and suits, cut and sewed from woven and knit fabric.

SIC 2369 includes establishments primarily engaged in manufacturing girls', children's, toddlers' and infants' outerwear, not elsewhere classified, cut and sewed from purchased woven or knit fabric. It covers items such as tops, playwear, swimwear, robes, skirts, headwear, etc.

NOTE: Separate industry figures are not available on boys' wear and on children's underwear and nightwear manufacturers. These are combined in industry data on men's and boys' manufacturers and women's and children's manufacturers, which are included in other Fact Files covering specific apparel categories.

** Covers manufacturing establishments (plants) only, and each location is separately counted. Figures for 1984 are from County Business Patterns, U.S. Bureau of the Census.

# Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

## The value of industry shipments includes both primary and secondary products made by manufacturers in the industry, as well as receipts for contract work and miscellaneous receipts. The value of primary products made in this industry, as well as the value of these products made by secondary producers, is covered in the Product Shipments section of this Fact File.

Source: U.S. Bureau of the Census,
1985, 1984, 1983 Annual Survey of Manufactures,
1982 Census of Manufactures

GENERAL INDUSTRY STATISTICS: APPAREL

Industry Shipments

Based on data compiled by the Census Bureau, the International Trade Administration (U.S. Department of Commerce) compiles annual projections covering industry and product shipments on a constant dollar basis for various apparel classifications. Estimates for 1985 and 1986 compared with reported 1984 figures are noted below. These figures show industry "real" growth, eliminating the effects of inflation.

Value of Industry Shipments of Specified Children's Wear: 1984-1986
(Value in millions of 1982 dollars)

	1986(e)	1985(e)	1984	% Change 1986/85	% Change 1985/84	Compound Annual Growth Rate 1984/79
Dresses & blouses (SIC 2361)	$1,375	$1,345	$1,347	+ 2.2%	- 0.1%	+5.4%
Coats & suits (SIC 2363)	161	150	154	+ 7.3	- 2.5	-3.6

(e) estimated

Source: U.S. Department of Commerce,
International Trade Administration:
1987 U.S. Industrial Outlook

Employment and Earnings

Employment data for 1986, as compiled by the Bureau of Labor Statistics, shows that total employment as well as production worker employment increased, though not back to the level reached in 1984. It should be noted that employment and earnings data issued by the BLS and the Census Bureau are not directly comparable due to differences in methodology used by each agency in compiling data.

Employment & Earnings in Children's Wear Industries

	Annual Averages 1986	1985	1984	% Change 1986/85
Children's Outerwear (SIC 236*)				
All employees (thous.)	63.4	61.3	63.6	+ 3.4%
Production workers (thous.)	53.5	51.5	53.9	+ 3.9
Avg. weekly earnings	$191.95	$185.56	$180.68	+ 3.4
Avg. weekly hours	37.2	36.6	36.5	+ 1.6
Avg. weekly earnings	$ 5.16	$ 5.07	$ 4.95	+ 1.8

(continued)

GENERAL INDUSTRY STATISTICS: APPAREL

Employment and Earnings (continued)

Employment & Earnings in Children's Wear Industries (continued)

	Annual Averages 1986	1985	1984	% Change 1986/85
Children's dresses & blouses (SIC 2361*)				
All employees (thous.)	26.3	25.4	27.0	+ 3.5
Production workers (thous.)	23.1	22.3	23.8	+ 3.6
Avg. weekly earnings	$180.28	$175.29	$175.42	+ 2.8
Avg. weekly hours	36.2	35.7	35.8	+ 1.4
Avg. weekly earnings	$ 4.98	$ 4.91	$ 4.90	+ 1.4

* For definitions of SIC codes, see page 14

Source: U.S. Bureau of Labor Statistics
Employment & Earnings

Industry Concentration

As part of the complete Census of Manufactures covering operations in 1982, the U.S. Census Bureau has compiled data on industry concentration levels. Though the bulk of children's wear manufacturing is by companies with more than one plant, there is also a good deal of production by small, single-unit operations.

In the children's dress and blouse industry, 16.5% of the companies had more than one plant. These plants accounted for more than 60% of the value of industry shipments. The four largest companies accounted for 17% of shipments, while the 50 largest had a 64% share.

Single & Multiunit Companies' Share of Shipments, 1982

	Companies	Plants No.	Plants %	Employees Thous.	Employees %	Value of Industry Shipments Thous. $	Value of Industry Shipments %
Children's dresses & blouses	490	556	100.0%	37.7	100.0%	$1,417.7	100.0%
Multiuni[illegible]mpanies	81	147	26.4	20.4	54.1	859.8	60.6
Single unit companies	409	409	73.6	17.2	45.9	558.0	39.4
Children's coats & suits	71	80	100.0%	6.1	100.0%	191.3	100.0%
Multiunit companies	14	23	28.8	(D)	na	(D)	na
Single unit companies	57	57	71.2	(D)	na	(D)	na

(continued)

Industry Concentration (continued)

Single & Multiunit Companies' Share of Shipments, 1982
(continued)

	Companies	Plants No.	Plants %	Employees Thous.	Employees %	Value of Industry Shipments Thous. $	Value of Industry Shipments %
Children's outerwear, n.e.c.	279	332	100.0%	27.6	100.0%	$1,102.4	100.0%
Multiunit companies	51	104	31.3	18.4	66.7	737.5	66.9
Single unit companies	228	228	68.7	9.2	33.3	364.9	33.1

na not available
(D) Withheld to avoid disclosure by Census Bureau
nec not elsewhere classified

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Type of Organization, Subject Series MC82-S-5

As in other segments of the apparel industry, there has been a consolidation of manufacturing activity in children's wear due to the competition from imports. As noted in the table on industry statistics, the number of plants manufacturing children's wear is currently well below the U.S. total in 1982. Even by 1982, the latest available data on companies' share of industry shipments show the trend to consolidation, particularly in children's coats and suits, and other outerwear. In the former, the eight largest companies controlled 66% of shipments compared with only 47% in 1977. The number of companies in the industry declined from 108 to 71.

Share of Value of Industry Shipments Accounted For By The Largest Companies

Industry	No. of Companies	Total (mil. $)	Value of Industry Shipments* Percent accounted for by largest companies: 4 largest	8 largest	20 largest	50 largest
Children's dresses & blouses						
1982	490	$1,417.7	17%	26%	43%	64%
1972	439	655.2	17	26	42	63
Children's coats & suits						
1982	71	191.3	46	66	87	98
1977	108	173.8	32	47	72	92
Children's outerwear, n.e.c.						
1982	279	1,102.4	32	42	61	81
1972	370	578.2	22	32	48	69

n.e.c. not elsewhere classified
* For an explanation of terms see page 14

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Concentration Ratios in Manufacturing MC82-S-7

Industry Concentration (continued)

Large plants, with 100 or more employees, represent less than 25% of the plants making children's wear; however, these plants account for a major share of industry activity. In the children's dress and blouse industry, plants with 100 or more employees accounted for 18% of the plants, but over 59% of the value added by manufacture in the industry. In the children's coat and suit industry, the percentages were 22% and 66%, respectively; in other children's outerwear, 25% and 74%.

Concentration By Employment Size, 1982

	Establishments		Value Added By Manufacture*		Industry Shipments*	
	Number	%	(mil. $)	%	(mil. $)	%
Children's dresses & blouse industry, U.S. total	556	100.0%	$745.9	100.0%	$1,417.7	100.0%
By establishment (plant) size:						
Under 20 employees	165	29.7	44.3	5.9	119.0	8.4
20 - 49 employees	166	29.9	119.1	16.0	293.0	20.7
50 - 99 employees	124	22.3	138.5	18.6	265.5	18.7
100 or more employees	101	18.2	444.0	58.5	740.2	52.2
Children's coat & suit industry, U.S. total	81	100.0	103.6	100.0	193.1	100.0
By establishment (plant) size:						
Under 20 employees	30	37.0	10.0	9.7	34.7	18.0
20 - 49 employees	19	23.5	11.8	11.4	23.3	12.1
50 - 99 employees	14	17.3	13.0	12.5	20.0	10.4
100 or more employees	18	22.2	68.8	66.4	115.1	59.6
Children's outerwear n.e.c. industry, U.S. total	332	100.0	597.8	100.0	1,102.4	100.0
By establishment (plant) size:						
Under 20 employees	116	34.9	24.5	4.1	60.3	5.5
20 - 49 employees	70	21.1	48.8	8.2	96.5	8.8
50 - 99 employees	62	18.7	80.3	13.4	164.7	14.9
100 or more employees	84	25.3	444.5	74.4	780.9	70.8

n.e.c. not elsewhere classified
* For an explanation of terms, see page 14

Source: U.S. Bureau of the Census,
1982 Census of Manufactures

Leading States

New York State is the leading production center for children's wear. Pennsylvania is also an important center for the dress/blouse industry. Overall, production of children's wear, which is a labor intensive industry, is less concentrated than the women's wear industry in New York, and is spread throughout a number of states.

Leading States (continued)

Industry Statistics For Leading States, 1982

	All Plants		Employees		Value added By Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Children's dresses & blouses,						
U.S. total	666	391	37.7	100.0%	$745.9	100.0%
Leading states:	297	217	18.0	47.8	400.5	53.7
New York	131	81	4.6	12.2	148.7	19.9
Pennsylvania	90	76	7.2	19.1	132.4	17.8
Alabama	8	8	1.8	4.8	57.5	7.7
New Jersey	42	28	1.7	4.5	32.4	4.3
Virginia	26	24	2.7	7.2	29.5	4.0
Children's coats & suits,						
U.S. total	81	51	6.3	100.0	103.6	100.0%
Leading states:	41	20	2.4	38.1	32.2	31.1
New York	27	14	1.9	30.2	28.7	27.7
New Jersey	14	6	0.5	7.9	3.5	3.4
Children's outerwear, n.e.c.,						
U.S. total	332	215	27.6	100.0	597.8	100.0
Leading states:	137	73	7.8	28.2	197.7	33.0
New York	75	36	2.5	9.1	84.4	14.1
Virginia	12	10	2.5	9.1	57.9	9.7
Florida	20	11	1.0	3.5	24.1	4.0
New Jersey	25	12	1.3	4.7	23.9	4.0
Tennessee	5	4	0.5	1.8	7.4	1.2

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census,
1982 Census of Manufactures

Capacity Utilization Rates

The U.S. Bureau of the Census conducts an annual survey of plant capacity which covers operations in the fourth quarter of 1985. Measures on capacity utilization include a rate which is based on plant operators' preferred level of operations (i.e. the rate at which profits will be maximized).

Capacity Utilization Rates in the Children's Coat & Suit Industry, Fourth Quarters 1984 and 1985

	Preferred Rate	
	1985	1984
Children's coats & suits (SIC 2363)	65%	79%

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Survey of Plant Capacity, 1985

APPAREL PRODUCTION

Infants'/Children's/Girls' Wear

Data on the production of children's & girls' wear is reported in the Current Industrial Reports compiled by the U.S. Bureau of the Census. All known manufacturers in the industry except very small manufacturers, are surveyed for these annual reports. Figures include garments assembled abroad and shipped back to U.S. cutters under the terms of Item 807 of the Tariff Schedule.

"Children's wear" covers boy and girl infants, toddlers and girls through their teens. Compared with 1984, production in 1985 lagged behind in most types of apparel. For example, children's/infants' jeans and dungarees dropped 26.2% for the year, while production of swimsuits fell 13%. In contrast, production of knit shirts for teen and subteen girls rose 34.9% in 1985.

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985
(Thousands of dozens)

	1985	1984	% Change 1985/84
Dresses, total	6,326	6,675	- 5.2%
Girls', subteen & teenage	1,738	2,043	-14.9
By construction:			
Woven fabric	1,271	1,486	-14.5
Knit fabric	434	514	-15.6
Construction n.s.k.	33	43	-23.2
By fabric:			
All cotton & chiefly cotton	1,029	1,153	-10.8
All manmade & chiefly manmade	604	738	-18.1
All wool, chiefly wool & other fabrics	74	110	-32.7
Fabric n.s.k.	31	42	-26.2
Children's dresses	3,280	3,125	+ 5.0
By construction:			
Woven fabric	2,451	2,329	+ 5.2
Knit fabric	733	648	+13.1
Construction n.s.k.	96	148	-35.1
By fabric:			
All cotton & chiefly cotton	824	857	- 3.9
All manmade & chiefly manmade	2,126	2,068	+ 2.8
All wool, chiefly wool & other fabrics	330	200	+65.0
Infants' & toddlers' dresses	1,308	1,507	-13.2
By construction:			
Woven fabric	1,041	1,107	- 6.0
Knit fabric	207	259	-20.1
Construction n.s.k.	60	141	-57.4
By fabric:			
All cotton & chiefly cotton	335	296	+13.2
All manmade & chiefly manmade	894	1,060	-15.7
All other fabrics not specified	79	151	-47.7

(continued)

APPAREL PRODUCTION

Infants'/Children's/Girls' Wear

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985

(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
Blouses & shirts, woven, total	2,816	2,777	+ 1.4%
Girls', subteen & teenage	1,447	1,692	-14.5
All cotton & chiefly cotton	300	352	-14.8
All manmade & chiefly manmade	1,015	1,132	-10.3
All other fabrics not specified	132	208	-36.5
Children's, infants' & toddlers'	1,369	1,085	+26.2
All cotton & chiefly cotton	113	110	+ 2.7
All manmade & chiefly manmade	973	725	+34.2
All other fabrics not specified	283	250	+13.2
Blouses & shirts, knit (except sweat shirts)	12,675	12,675	--
Girls', subteen & teenage	1,754	1,300	+34.9
All cotton & chiefly cotton	240	427	-43.8
All manmade & chiefly manmade	1,471	824	+78.5
All other fabrics not specified	43	49	-12.2
Children's, infants' & toddlers'	10,921	11,375	- 4.0
All cotton & chiefly cotton	2,364	2,475	- 4.5
All manmade & chiefly manmade	8,457	8,774	- 3.6
All other fabrics not specified	100	126	-20.6
Sweaters, including sweater vests			
Girls', children's & infants'	1,229	1,316	- 6.6
All manmade & chiefly manmade	788	859	- 8.3
Coats, except down and feather filled			
Girls', subteen & teenage	59	61	- 3.3
All manmade & chiefly manmade	55	57	- 3.5
Coats, including coat and legging sets; coat and snowpants sets; ski suits and snowsuits (children's & infants')	540	628	-14.0
All cotton & chiefly cotton	22	13	+69.2
All manmade & chiefly manmade	404	430	- 6.0
All wool, chiefly wool & other fabrics	114	185	-38.4
Raincoats and raincapes			
Girls', children's & toddlers'	14	11	+27.3
Jackets, girls', children's & infants'	667	688	- 3.1
All manmade & chiefly manmade	507	500	+ 1.4
Fabric n.s.k.	17	19	-10.5

(continued)

Infants'/Children's/Girls' Wear

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985
(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
Vests, Girls', children's & infants'	13	11	+18.2%
All cotton & chiefly cotton All manmade & chiefly manmade All other fabrics	13	11	+18.2
Suits, Girls', children's, & infants'	119	104	+14.4
All cotton & chiefly cotton	46	42	+ 9.5
All manmade & chiefly manmade	29	17	+70.6
All wool, chiefly wool & other fabrics	44	45	- 2.2
Skirts, Girls', children's & infants'	850	785	+ 8.3
By construction:			
Woven fabric	622	526	+18.3
Knit fabric	59	46	+28.3
Construction n.s.k.	169	213	-20.7
By fabric:			
All cotton & chiefly cotton	184	129	+42.6
All manmade & chiefly manmade	494	484	+ 2.1
All wool, chiefly wool & other fabrics	13	19	-31.6
Fabric n.s.k.	159	153	+ 3.9
Slacks, including jean-cut casual, Girls's, subteen & teenage	1,284	1,433	-10.4
By construction:			
Woven fabric	1,021	1,186	-13.9
Knit fabric	230	217	+ 6.0
Construction n.s.k.	33	30	+10.0
By fabric:			
All cotton & chiefly cotton	493	604	-18.4
All manmade & chiefly manmade	741	783	- 5.4
All wool, chiefly wool & other fabrics	50	46	+ 8.7
Jeans and dungarees, Girls', subteen & teenage	710	749	- 5.2
All cotton & chiefly cotton	429	425	+ 0.9
All manmade & chiefly manmade	271	235	+15.3
Fabric n.s.k.	10	89	-88.8
Children's and infants' slacks, including jean-cut casual slacks	3,156	3,153	+ 0.1
By construction:			
Woven fabric	2,111	2,334	- 9.6
Knit fabric	1,020	787	+29.6
Construction n.s.k.	25	32	-21.9
By fabric:			
All cotton & chiefly cotton	894	1,010	-11.5
All manmade & chiefly manmade	2,173	2,085	+ 4.2
All wool, chiefly wool & other fabrics	89	58	+53.4
Children's, infants' jeans and dungarees	1,702	2,305	-26.2
All cotton & chiefly cotton	914	1,009	- 9.4
All manmade & chiefly manmade	779	1,214	-35.8
Fabric n.s.k.	9	82	-89.0

(continued)

APPAREL PRODUCTION

Infants'/Children's/Girls' Wear

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985

(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
SHORTS			
Girls', subteen & teenage	911	828	+10.0%
By construction:			
Woven fabric	687	691	- 0.6
Knit fabric	87	96	- 9.4
Construction n.s.k.	137	41	+234.1
By fabric:			
All cotton & chiefly cotton	362	327	+10.7
All manmade & chiefly manmade	413	459	-10.0
Fabric n.s.k.	136	42	+223.8
Children's & infants'	1,426	1,199	+18.9
By construction:			
Woven fabric	973	811	+20.0
Knit fabric	449	378	+18.8
Construction n.s.k.	4	10	-60.0
By fabric:			
All cotton & chiefly cotton	543	494	+ 9.9
All manmade & chiefly manmade	792	680	+16.5
All other fabrics not specified	91	25	+264.0
PLAYGARMENTS INCLUDING PLAYSUITS AND HALTER TOPS			
Girls' & children's	1,322	1,405	- 5.9
By construction:			
Woven fabric	1,033	1,012	+ 2.1
Knit fabric	258	356	-27.5
Construction n.s.k.	31	37	- 16.2
By fabric:			
All cotton & chiefly cotton	633	671	- 5.7
All manmade & chiefly manmade	659	704	- 6.4
All other fabrics not specified	30	30	--
PLAYGARMENTS INCLUDING CREEPERS AND ROMPERS			
Infants' & toddlers'	5,089	5,547	- 8.3
By construction:			
Woven fabric	2,458	2,512	- 2.1
Knit fabric	2,603	3,012	-13.6
Construction n.s.k.	28	23	+21.7
By fabric:			
All cotton & chiefly cotton	1,475	1,654	-10.8
All manmade & chiefly manmade	3,542	3,872	- 8.5
All other fabrics not specified	72	21	+242.9
Sweat shirts and jogging suits			
Girls', children's & infants'			
Sweat shirts	447	152	+194.1
Separate sweat pants	474	376	+26.1
Jogging suits	446	363	+22.9

(continued)

APPAREL PRODUCTION

Infants'/Children's/Girls' Wear

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985
(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
PLAYGARMENTS			
Infants' up to size 24 months, boxed sets	203	272	-25.4%
By construction:			
Woven fabric	7	7	--
Knit fabric	94	113	-16.8
Fabric n.s.k.	102	152	-32.9
By fabric:			
All cotton & chiefly cotton	52	3	+1633.3
All manmade & chiefly manmade	36	117	-69.2
All other fabrics not specified	115	152	-24.3
TEAM SPORTS UNIFORMS			
Girls', children's & infants'	62	230	-73.0
SWIMSUITS			
Girls', children's & infants'	833	957	-13.0
By construction:			
Woven fabric	63	83	-24.1
Knit fabric	770	874	-11.9
By fabric:			
All manmade & chiefly manmade	819	937	-12.6
Fabric n.s.k.	14	20	-30.0
Panties, including pettipants			
Girls' & children's	8,003	8,473	- 5.5
By construction:			
Woven fabric	367	422	-13.0
Knit fabric	7,636	8,051	- 5.2
By fabric:			
All cotton & chiefly cotton	5,407	5,610	- 3.6
All manmade & chiefly manmade	2,584	2,853	- 9.4
Fabric n.s.k.	12	10	+20.0
Slips, vests & undershirts			
Girls' & children's	1,468	1,544	- 4.9
By construction:			
Woven fabric	298	296	+ 0.7
Knit fabric	1,170	1,248	- 6.3
By fabric:			
All cotton & chiefly cotton	476	504	- 5.6
All manmade & chiefly manmade	992	1,040	- 4.6
Panties, Infants' & toddlers'	3,458	3,849	-10.2
By construction:			
Woven fabric } Knit fabric }	3,458	3,849	-10.2
By fabric:			
All cotton & chiefly cotton	3,446	3,801	- 9.3
All manmade & chiefly manmade	12	48	-75.0

(continued)

APPAREL PRODUCTION

Infants'/Children's/Girls' Wear

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985

(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
Slips, vests, undershirts and other underwear except panties, Infants' & toddlers'	5,108	4,534	+12.7%
By construction:			
Woven fabric	na	29	na
Knit fabric	na	4,358	na
Construction n.s.k.	na	147	na
By fabric:			
All cotton & chiefly cotton	4,516	3,911	+15.5
All manmade & chiefly manmade	475	508	- 6.5
Fabric, n.s.k.	117	115	+ 1.7
NIGHTWEAR, EXCLUDING ROBES			
Girls', children's, infants' & toddlers'	6,972	7,261	- 4.0
Nightgowns, girls' & children's	1,347	1,365	- 1.3
By construction:			
Woven fabric	278	382	-27.2
Knit fabric	1,065	979	+ 8.8
Construction n.s.k.	4	4	--
By fabric:			
All cotton & chiefly cotton }	1,343	1,362	- 1.4
All manmade & chiefly manmade }			
Fabric, n.s.k.	4	3	+33.3
Pajamas, including heavyweight sleeping garments with feet, girls' & childrens	1,951	1,771	+10.2
By construction:			
Woven fabric	180	205	-12.2
Knit fabric	1,758	1,566	+12.3
Construction n.s.k.	13	na	na
By fabric:			
All cotton & chiefly cotton }	1,938	1,750	+10.7
All manmade & chiefly manmade }			
Fabric, n.s.k.	13	21	-38.1
Nightgowns, infants' & toddlers'	861	954	- 9.7
By construction:			
Woven fabric	84	108	-22.2
Knit fabric	777	846	- 8.2
By fabric:			
All cotton & chiefly cotton			
All manmade & chiefly manmade	861	954	- 9.7

APPAREL PRODUCTION

Infants'/Children's/Girls' Wear

Production of Children's & Girls' Wear By Fabric and Construction, 1984, 1985

(Thousands of dozens)
(continued)

	1985	1984	% Change 1985/84
Pajamas, including heavyweight sleeping garments made with feet, Infants' & toddlers'	2,813	3,171	-11.3%
By construction:			
Woven fabric	91	61	+49.2
Knit fabric	2,714	3,110	-12.7
By fabric:			
All cotton & chiefly cotton	18	69	-73.9
All manmade & chiefly manmade	2,795	3,102	- 9.9
Robes, Girls', children's & infants'	81	104	-22.1
Diapers, total*	5,774	6,283	- 8.1
Birdseye	2,785	3,028	- 8.0
All other	2,989	3,255	- 8.2

*Excludes knit diapers, diapers and diaper liners made from paper and/or nonwoven fabrics

na not available
n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
Current Industrial Reports
Women's & Children's Outerwear MA23F(85)-1

Boys' Wear

Production of Specified Types of Boys' Wear, 1984, 1985

(Thousands of units)

	1985	1984	% Change 1985/84
Suits, incl. casual & uniform	2,412	2,885	- 16.4%
All manmade & chiefly manmade	2,259	2,729	- 17.2
All wool & chiefly wool	72	65	+ 10.8
Fabric n.s.k.	81	91	- 11.0
Overcoats, topcoats, tailored suburban & car coats, incl. uniform,	98	95	+ 3.2
All manmade & chiefly manmade	92	92	--
Fabric n.s.k.	6	3	+100.0

(continued)

APPAREL PRODUCTION

Boy's Wear

Production of Specified Types of Boys' Wear, 1984, 1985
(Thousands of units)
(continued)

	1985	1984	% Change 1985/84
Tailored suit-type dress & sport coats, incl. uniform	1,478	1,471	+ 0.5%
All manmade & chiefly manmade	1,257	1,312	- 4.2
All wool & chiefly wool	189	140	+ 35.0
All other fabric	15	9	+ 66.7
Fabric n.s.k.	17	10	+ 70.0
Separate dress and sport trousers, incl. uniform	12,484	12,878	- 3.1
All cotton & chiefly cotton	1,528	2,162	- 29.3
All manmade & chiefly manmade	9,800	9,798	--
Fabric n.s.k.	1,156	918	+ 25.9
Jeans & dungarees	56,959	56,595	+ 0.6
All cotton & chiefly cotton	50,104	49,932	+ 0.3
All manmade & chiefly manmade	5,824	5,094	+ 14.3
Fabric n.s.k.	1,031	1,569	- 34.3
Jean-cut casual slacks	14,944	18,867	- 20.8
All cotton & chiefly cotton	6,648	6,026	+ 10.3
All manmade & chiefly manmade	8,296	12,841	- 35.4
Shorts, including athletic shorts	16,550	14,341	+ 15.4
By fabric:			
All cotton & chiefly cotton	5,408	4,569	+ 18.4
All manmade & chiefly manmade	10,898	9,536	+ 14.3
All other fabrics	244	236	+ 3.4
By construction:			
Woven fabric	10,526	9,045	+ 16.4
Knit fabric	6,024	5,296	+ 13.7
Athletic shorts	437	na	na
Nontailored heavy outer jackets except ski	181	163	+ 11.0
All cotton & chiefly cotton	29	24	+ 20.8
All manmade & chiefly manmade	103	97	+ 6.2
All wool & chiefly wool	12	10	+ 20.0
All other fabrics not specified	37	32	+ 15.6
Nontailored light outer jackets	358	404	- 11.4
All cotton & chiefly cotton	43	46	- 6.5
All manmade & chiefly manmade	255	314	- 18.8
All other fabrics	60	44	+ 36.4
Woven shirts, including dress & uniform	1,169	1,055	+ 10.8
All cotton & chiefly cotton	473	482	- 1.9
All manmade & chiefly manmade	509	471	+ 8.1
All other fabrics	110	90	+ 22.2
Fabric n.s.k.	77	12	+541.6

(continued)

APPAREL PRODUCTION

Boy's Wear

Production of Specified Types of Boys' Wear, 1984, 1985
(Thousands of units)
(continued)

	1985	1984	% Change 1985/84
Knit sport shirts, except sweat shirts	10,092	11,267	- 10.4%
By fabric:			
All cotton & chiefly cotton	2,027	1,854	+ 9.3
All manmade & chiefly manmade	6,759	8,002	- 15.5
All other fabrics	1,002	1,085	- 7.6
Fabric n.s.k.	304	326	- 6.7
By type:			
Full open front shirts	188	308	- 39.0
Partial front opening	3,727	3,615	+ 3.1
T-shirts made for outerwear, incl. tanktops	5,131	6,468	- 20.7
Type n.s.k.	1,046	876	+ 19.4
Sweaters, including sweater vests, knit cardigans & pullovers	394	411	- 4.1
All manmade & chiefly manmade	355	368	- 3.5
All other fabrics	39	43	- 9.3
Pajamas and other nightwear, excluding robes	2,262	2,339	- 3.3
By construction:			
Woven fabric	168	229	- 26.6
Knit fabric	1,015	976	+ 4.0
Construction n.s.k.	30	10	+200.0
By fabric:			
All cotton & chiefly cotton	320	304	+ 5.3
All manmade & chiefly manmade	863	899	- 4.0
Fabric n.s.k.	30	12	+150.0
Lightweight undershirts with 1/4 sleeve, excluding T-shirts made for outerwear	3,479	3,733	- 6.8
Cotton/polyester blended fabric	1,272	1,516	- 16.1
All cotton & all other cotton blends	2,115	2,124	- 0.4
Fabric n.s.k.	92	95	- 3.2
Knit brief & shorts	10,260	8,757	- 17.2
Cotton/polyester blended fabric	1,562	1,717	- 9.0
All cotton & all other cotton blends	8,852	6,934	- 27.7
Fabric n.s.k.	154	106	+ 45.3

na not available
n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(85)-1

APPAREL PRODUCTION

Hosiery

The production of infants' and children's hosiery declined 3.1% in 1985 from the year before. This dropoff would have been far more severe were it not for a 58.8% rise in the production of mid-calf/crew. This type of hosiery is where the top extends beyond ankle length but not beyond the largest part of the calf. It includes all types of hosiery such as half-hose, dress socks and athletic socks.

Production of Infants' & Children's Hosiery, 1984, 1985

	Thous. dozen pairs 1985	Thous. dozen pairs 1984	% Change 1985/84
Infants' & children's hosiery, total*	26,353	27,191	- 3.1%
Footsocks	699	781	- 10.5
Anklets	14,200	15,356	- 7.5
Mid-calf/Crew	5,721	3,603	+ 58.8
Knee-high	4,579	5,841	- 21.6
Stockings	25	71	- 64.8
Waist-highs	1,129	1,539	- 26.6

* Includes sizes 3 to 8 1/2
Note: Girls' hosiery is included in women's hosiery figures.

The production of boys' hosiery rose 12.1% for the year as production of mid-calf/crew hosiery (defined above) increased significantly from 1984.

Production of Boys' Hosiery, 1984, 1985

	Thous. dozen pairs 1985	Thous. dozen pairs 1984	% Change 1985/84
Boys' hosiery, total*	16,900	15,073	+ 12.1%
Footsocks	32	259	- 87.6
Anklets	1,164	2,145	- 45.7
Mid-calf/crew	4,990	3,342	+ 49.3
Knee-highs	10,714	9,482	+ 13.0

* Includes sizes 8 to 11

Source: National Association of Hosiery Manufacturers, 1985 Hosiery Statistics.

APPAREL PRODUCT SHIPMENTS

In contrast with "industry shipments" previously covered and defined on page 14, the value of product shipments covers the total value of shipments of specified items by all U.S. manufacturers, regardless of industry classification based on primary products.

Data on product shipments is available from two sources -- the Annual Survey of Manufactures and the Current Industrial Reports, which are based on Census Bureau surveys among all but very small manufacturers. The latter contains more specific product classifications including breakouts on boys' wear. Although consistent with the pattern in unit production, the value of children's, girls' and boys' wear shipments generally declined in 1985 from their 1984 level. A notable exception was in the shipment of sweat shirts, sweat pants and jogging suits, reflecting the popularity of fleece wear.

Value of Shipments by All U.S. Producers
Of Specified Categories of Boys' & Children's Wear, 1982-1985
(Value in millions of dollars)

	1985	1984	1983	1982	% Change 1985/82
Boys' suits, coats & tailored jackets (SIC 23114)	$ 103.1	$ 147.1	$ 127.1	$ 148.2	- 30.4%
Children's wear, reported total	2,685.5	2,799.9	2,711.6	2,850.4	- 5.8
Dresses & blouses (SIC 2361)	1,266.8	1,339.0	1,322.6	1,443.2	- 12.2
Dresses & blouses (except knit outerwear sport shirts)	695.1	766.4	788.4	755.4	- 8.0
Knit sport shirts	392.4	359.6	294.5	401.7	- 2.3
Commission work on dresses & blouses	131.3	166.3	210.7	208.7	- 37.1
Dresses & blouses n.s.k. (except knit outerwear sport shirts)	48.1	46.7	na	77.4	- 37.8
Coats & suits (SIC 2363)	156.5	197.9	203.5	211.4	- 26.0%
Coats, jackets, suits & snowsuits	138.3	163.6	177.0	171.5	- 19.3
Commission work on coats & suits	27.4	31.5	17.1	32.4	- 15.4
Coats & suits n.s.k.	0.8	2.9	9.3	7.4	- 89.2
Outerwear n.e.c., (SIC 2369)	1,262.2	1,263.0	1,185.5	1,195.8	+ 5.5
Outerwear n.e.c.	1,078.5	1,103.9	995.5	1,01[illegible].1	+ 6.6
Commission work on outerwear n.e.c.	90.4	98.1	122.4	123.2	- 26.6
Outerwear n.e.c. & n.s.k.	93.2	61.1	67.6	60.5	- 54.0

n.s.k. not specified by kind
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census,
1985 Annual Survey of Manufactures

APPAREL PRODUCT SHIPMENTS

Children's & Girls' Wear

Shipments of Specified Types of Children's & Girls' Wear-1984, 1985
(Value in millions of dollars)

	1985	1984	% Change 1985/1984
Children's & girls' wear, total of specified categories*	$3,317.0	$3,364.1	- 1.4%
Dresses	584.7	599.6	- 2.5
Girls', subteen & teenage	150.1	176.7	- 15.1
Children's	305.7	288.5	+ 6.0
Infants' & toddlers'	128.9	134.4	- 4.1
Suits	15.7	13.8	+ 13.7
Coats, incl. down & feather-filled	77.9	94.7	- 17.7
Girls', subteen & teenage	7.9	7.8	+ 1.3
Children's and infants', including coat & legging sets; coat & snowpants sets; ski suits & snowsuits	70.0	86.9	- 19.4
Raincoats & raincapes	1.5	1.7	- 11.8
Jackets	53.3	56.0	- 4.8
Blouses & shirts, woven	155.8	164.4	- 5.2
Girls', subteen & teenage	80.5	94.3	- 14.6
Children's, infants'& toddlers	75.3	70.1	+ 7.4
Blouses & shirts, knit, except sweat shirts	509.0	507.8	+ 0.2
Girls', subteen & teenage	85.0	76.9	+ 10.5
Children's, infants'& toddlers	424.0	430.9	- 1.6
Sweaters, including sweater vests Girls', children's & infants'	76.0	71.7	+ 6.0
Vests	1.5	1.1	+ 36.4
Skirts	47.5	44.8	+ 6.0
Pants, including jean-cut casual slacks	254.2	263.7	- 3.6
Girls', subteen & teenage	94.3	105.0	- 10.2
Children's & infants'	159.9	158.7	+ 0.8
Jeans & dungarees	167.2	186.7	- 10.4
Girls', subteen & teenage	59.0	60.8	- 3.0
Children's & infants'	108.2	125.9	- 14.1
Playgarments, including playsuits & halter tops	420.6	428.0	- 1.7
Shorts, girls', subteen & teenage	45.0	41.6	+ 8.2
Children's & infants'	57.5	54.4	+ 5.7
Playsuits & halter tops (Girls', children's)	58.7	55.2	+ 6.3
Creepers, rompers, etc. (Infants', toddlers')	259.4	276.8	- 6.3

(continued)

APPAREL PRODUCT SHIPMENTS

Children's & Girls' Wear

Shipments of Specified Types Of Children's & Girls' Wear-1984, 1985
(Value in millions of dollars)
(continued)

	1985	1984	% Change 1985/1984
Activewear, total	$ 201.5	$ 167.4	+ 20.4%
Swimsuits (Girls', children's, infants')	47.4	57.9	- 18.1
Sweat shirts & jogging suits (Girls, children's, infants')	68.1	42.4	+ 60.6
Sweat shirts	17.8	6.5	+173.8
Separate sweat pants	22.0	12.3	+ 78.9
Jogging suits	28.3	23.6	+ 19.9
Team sports uniforms (Girls', children's, infants')	3.5	13.7	- 74.5
Boxed sets (infants up to age 24 months)	14.4	11.0	+ 30.9
Underwear, nightwear, total	491.2	467.9	+ 5.0
Girls' & children's, total	93.4	99.5	- 6.1
Panties, including pettipants	63.0	66.4	- 5.1
Slips, vests & undershirts	30.4	33.1	- 8.2
Nightwear, excluding robes			
Girls', children's, infants' toddlers'	157.1	134.3	+ 17.0
Nightgowns	69.1	65.4	+ 5.7
Pajamas, including heavyweight sleeping garments made with feet	88.0	68.9	+ 27.7
Infants' & toddlers', total	240.7	234.1	+ 2.8
Panties	20.3	22.5	- 9.8
Slips, vests, undershirts, etc.	59.9	51.7	+ 15.9
Nightgowns	26.0	26.8	- 3.0
Pajamas, including heavyweight sleeping garments made with feet	134.5	133.1	+ 1.1
Robes, girls', children's, infants', toddlers'	8.4	9.7	- 13.4

* The total includes only categories included in the Current Industrial Reports series on apparel, listed as the source. Not included are hosiery shipments, accessories, gloves, leather apparel, millinery and furs.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Women's & Children's Outerwear MA-23F(85)-1

APPAREL PRODUCT SHIPMENTS

Boys' Wear

Shipments of Specified Types of Boys' Wear-1984, 1985
(Value in millions of dollars)

	1985	1984	% Change 1985/1984
Boys' wear, total of specified categories*	$1,681.0	$1,675.4	+ 0.3%
Suits, including casual & uniform	69.0	71.8	- 3.9
Overcoats, topcoats, & tailored suburban & car coats, including uniform	2.9	2.8	+ 3.6
Tailored suit-type dress & sport coats, including uniform	34.6	33.5	+ 3.3
Nontailored heavy outer jackets, except ski	38.2	34.8	+ 9.8
Nontailored light outer jackets	36.9	39.9	- 7.5
Shirts, woven including dress & uniform	81.0	71.2	+ 13.8
Sport shirts, knit except sweat shirts	411.6	446.8	- 7.9
Sweaters including sweater vests, knit cardigans & pullovers	29.7	31.7	- 6.3
Shorts, trousers, jeans & jean-cut casual slacks	752.0	724.6	+ 3.8
Separate dress & sport trousers, including uniform	94.6	91.4	+ 3.5
Jeans & dungarees	501.0	455.9	+ 9.9
Jean-cut casual slacks	116.7	139.8	- 16.5
Shorts, including athletic shorts	39.7	37.5	+ 5.9
Underwear, nightwear	225.1	218.3	+ 3.1
Pajamas & other nightwear, excluding robes	73.5	69.5	+ 5.8
Lightweight undershirts with 1/4 sleeve, excluding T-shirts made for outerwear	43.5	54.8	- 20.6
Briefs and shorts, knit	108.1	94.0	+ 15.0

(other types of underwear/nightwear are included with men's)

* The total includes only categories included in the Current Industrial Report series on apparel, listed as the source. Not included are hosiery shipments, accessories, gloves, leather apparel, hats, etc.

NOTE: The CURRENT INDUSTRIAL REPORT covers manufacturers, government contractors, and jobbers of apparel, except very small firms (generally less than five employees). Included in the CIR are garments cut in the U.S., sent outside the country to be sewn, then imported into the U.S. under the provisions of Item 807 of the Tariff Schedule. Not included are apparel items wholly made abroad and "sourced" by U.S. manufacturers.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's and Boys' Outerwear, MA23E(85)-1.

APPAREL PRODUCT SHIPMENTS

Concentration of Product Shipments

The latest figures on the share of shipments of specific products accounted for by the largest manufacturers are for the year 1982, compiled in the complete Census of Manufactures conducted every five years. While there have been some consolidations within the industry, the share of market controlled by the largest knit tops manufacturers declined somewhat from the time the previous census was done in 1977. (Information on product shipment concentration for the other children's classifications was not reported in 1977.)

Share of Specified Children's Wear Product Shipments By The Largest U.S. Manufacturers: 1982

	Product Shipments (Mil. $)	% of value accounted for by largest companies			
		Top 4	Top 8	Top 20	Top 50
Girls', children's & infants' dresses & shirts					
1982	$755.4	15%	25%	46%	74%
Girls', children's & infants' knit shirts					
1982	401.7	49	62	86	99+
1977	176.1	55	73	95	100
Girls', children's & infants' coats, jackets, suits, snowsuits and coat & legging sets					
1982	171.5	41	63	92	100

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Concentration Ratios in Manufacturing

APPAREL PRODUCER PRICE TRENDS

Producer Price Indexes For Children's Wear
(12/77 = 100 unless otherwise noted)

	Annual Averages			% Change
	1986	1985	1984	1986/85
All items (1967 = 100)	299.8	308.7	310.3	- 2.9%
All apparel (1967 = 100)	206.5	204.1	201.1	+ 1.2
Boys' wear:				
Denim jeans & jean-cut casual slacks (12/81 = 100)	107.1	104.5	103.8	+ 2.5
Jeans & jean-cut casual slacks of other fabrics (12/81 = 100)	98.1	99.5	100.9	- 1.4
Work clothing, exc. jeans & work shirts (12/81 = 100)	116.4	115.3	114.6	+ 1.0
Girls', children's & infants' wear (1967 = 100)	203.9	202.7	202.8	+ 0.6
Dresses, blouses & shirts, except knit (12/84=100)	103.4	101.0	na	+ 2.4
Knit sport and sweatshirts (12/84=100)	97.2	100.2	na	- 3.0

na not available

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE: APPAREL

Imports

Figures on the penetration of imports in the total U.S. market for children's wear are not available except through purchase tracking studies based on reports from samples of U.S. households, compiled by independent research organizations. Overall, trade sources have estimated that 35% to 45% of all apparel (men's, women's and children's), based on value, are imports. The figure based on units would be higher.

A high percentage of apparel imports (as much as half) are accounted for by direct imports by retailers. The rest is brought in by apparel producers and importers. Apparel manufacturers are sourcing in the Far East, for the most part, or making use of the 807 provision of the Tariff Code which permits domestic suppliers to send goods cut in the U.S. from U.S. fabrics to be assembled and sewn in factories in the Caribbean Basin and Mexico, which are participants in the program and have lower labor costs. When shipped back to the U.S., duty need only be paid on the value added to the finished garment abroad.

Imports (continued)

The major sources of imports for apparel are in the Far East--Hong Kong, Taiwan, Korea and China. Under the Multi-Fiber Arrangement (MFA) the U.S. has negotiated bilateral agreements to try to maintain an orderly expansion or trade. Although there are many complaints of violations of agreements through transshipments, it is reported that the numerical quotas imposed have been hardest on children's wear. Import quotas are applied based on quantity, not on value. Consequently, foreign suppliers have shifted production into higher priced merchandise, using their available quota for more profitable women's and men's wear lines. Quotas are rapidly being filled.

The U.S. textile and apparel industries have launched major efforts to bring apparel production back to the U.S., even though many in these industries are themselves sourcing abroad. Industry campaigns include the Crafted with Pride in the U.S., working with retailers to promote U.S. apparel to consumers, and the Quick Response campaign to promote the domestic apparel industry's ability to fill retailers' needs quickly. Both of these efforts have met with some success. However, the textile/apparel industry is seeking greater relief through the passage of a bill by Congress to impose import restrictions by law, rather than depend on bilateral agreements. Passage of the bill does not seem to be too likely.

The devaluation of the dollar, beginning last year, has not had an impact on imports from the Far East to any extent, as the devaluation primarily affects European and Japanese currencies. It also has not yet stimulated exports of apparel to any extent, since so much production is overseas.

Based on purchase diaries maintained in a nationwide sample of 19,500 U.S. households by the NPD Purchase Panel the following figures have been reported on the percent of total purchases of children's wear items that were imports in 1985 and 1986.

Purchases of Imported Boys' and Girls' Wear Products, 1985 and 1986
(Percent of total unit purchases that are imported)

	1986	1985
Boys' wear (ages 1-16), total	18%	18%
Casual shirts	29	30
Active sportswear	26	24
Slacks	28	23
Denim jeans	18	18
Underwear	3	3
Girls' wear (ages 1-13), total	20	21
Blouses & shirts	33	30
Tee/Tank/Polo	35	30
Active sportswear	19	27
Slacks	21	24
Denim jeans	32	33
Panties	13	15
Sleepwear	9	7

Source: Kurt Salmon Associates,
Soft Goods Outlook for 1987

Imports (continued)

The U.S. Bureau of the Census does not distinguish many classifications of girls' and boys' wear from imports reported for women's and men's wear. The following table gives the quantity and value of shipments for those items of infants' and children's wear which are separately reported.

Imports of Specified Infants' and Children's Wear Products: 1986

	Quantity (Dozens)	C.I.F. Value (Thousand $)*
INFANTS (BOYS)		
Tops:		
Tank tops		
Knit, cotton	14,104	$ 132.0
Knit, manmade	8,729	131.4
Blouses		
Knit, cotton	4,686	87.9
Knit, manmade	19,854	390.5
Not knit, cotton	20,438	657.7
T-Shirts		
Knit, cotton	1,956	78.9
Sweat shirts		
Knit, cotton	1,931	86.3
Sweaters		
Knit, cotton	2,354	376.3
Knit, manmade	31,229	1,038.4
Pants:		
Trousers & slacks		
Knit, cotton	2,162	100.5
Denim trousers		
Not knit, cotton	38,229	1,389.8
Corduroy trousers		
Not knit, cotton	6,049	150.4
Shorts		
Knit, manmade	18,423	145.8
Jogging suits		
Knit, cotton	32	7.3
Two piece playsuits		
Knit, cotton	20,930	630.6
Coats:		
Knit, manmade	19,665	765.3
Not knit, cotton	5,741	325.3

(continued)

FOREIGN TRADE: APPAREL

Imports (continued)

Imports of Specified Infants' and Children's Wear Products: 1986
(continued)

	Quantity (Dozens)	C.I.F. Value (Thousand $)*
GIRLS		
Tops:		
Tank tops		
Knit, cotton	33,889	$ 558.0
Knit, manmade	30,013	585.1
Blouses		
Knit, cotton	21,146	412.2
Knit, manmade	78,472	1,831.7
Not knit, cotton	36,290	1,612.8
Pants:		
Denim trousers & slacks		
Not knit, cotton	40,726	2,087.1
Corduroy trousers		
Not knit, cotton	5,930	404.4
Coveralls		
Not knit, cotton	45,009	1,455.9
Dresses:		
Not knit, cotton	28,319	1,589.9
BOYS		
Tops:		
Dress shirts		
Not knit, cotton	81,204	2,623.8
Corduroy sport shirts		
Not knit, cotton	4,172	195.0
Sweaters		
Knit, cotton	11,742	1,231.5
Knit, manmade	424,493	19,746.8
Not knit, manmade	16,071	701.2
Pants:		
Trousers & slacks		
Knit, manmade	63,888	2,415.8
Not knit, cotton	469.363	21,464.6
Coveralls & jumpsuits		
Not knit, cotton	14,112	539.1
Overalls		
Not knit, cotton	826	41.7
Coats:		
Sport coats		
Not knit, manmade	3,941	278.0

(continued)

Imports (continued)

Imports of Specified Infants' and Children's Wear Products: 1986
(continued)

GIRLS & INFANTS	Quantity (Dozens)	C.I.F. Value (Thousand $)*
Blouses		
Not knit, cotton	59,533	$2,008.5
Skirts		
Not knit, cotton	3,966	213.2
Dresses		
Knit, cotton	9,931	298.0

* The C.I.F. value represents the value of imports at the first port of entry in the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
U.S. General Imports, IM 146
Dec. 1986

Exports

Value of Children's Wear Exports, 1984-1985
(In millions of dollars)

	1985(e)	1984	% Change 1985/84	Compound Annual Rate 1984/1979
Children's Dresses & Blouses (SIC 2361)	$ 9.7	$10.6	- 8.5%	+ 0.2%
Children's Coats & Suits (SIC 2363)	2.8	3.9	-28.2	+15.5

(e) estimated

Source: U.S. Department of Commerce,
International Trade Administration,
U.S. Industrial Outlook 1987

APPAREL PURCHASE PATTERNS

MRCA Information Services, through its purchase tracking studies covering a nationally representative sample of 11,500 households, has projected a 9.4% increase in consumer purchases of girls' wear in 1986 to just under $10.5 billion. Boys' wear purchases were up 7.7% for the year to $8.4 billion, according to MRCA. Much of these gains are attributed to huge increases in activewear purchases, including warm-ups, sweat shirts, sweat shorts and sweat pants. Dollar volume gain in girls' activewear purchases was 58.4% and boys' were up 30.2%.

Consumer Purchases of Girls' & Boys' Wear & Specified Items: 1985 and 1986
(Projections based on MRCA data; unit and dollar volumes in thousands)

	Projected Dollars		% Change	Projected Units		% Change
	1986	1985	1986/85	1986	1985	1986/85
Girls' wear, total	$10,499,728	$9,596,997	+ 9.4%	1,687,492	1,549,998	+ 8.9%
Dresses	1,181,979	1,119,840	+ 5.5	90,119	84,297	+ 6.9
Jeans	782,787	804,696	- 2.7	58,721	60,717	- 3.3
Swimsuits	229,908	203,780	+12.8	24,872	22,477	+10.7
Boys' wear, total	8,368,589	7,772,802	+ 7.7	1,604,399	1,498,789	+ 7.0
Shorts	335,993	228,987	+46.7	61,697	45,247	+36.4
Knit sport shirts	1,314,590	1,247,644	+ 5.4	239,395	222,552	+ 7.6

Source: MRCA Information Services,
Soft Goods Information Service Reports, April 1987
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The increased concentration of retail power due to recent mergers has sharpened competition at the retail level. Some market sources say that retailers no longer can build their stock on a single best selling item but must stock a diverse selection of merchandise with an eye toward fashion rather than basics. Manufacturers welcome the current move among retailers to achieve a better balance between private label items and branded merchandise.

Data from Kurt Salmon Associates, based on retail purchase tracking by National Panel Diary, forecasts a 1% gain in unit purchases of girls' wear and a 2% gain in boys' wear for 1987. Sales of active sportswear for both girls and boys is expected to continue growing at retail, with fleece products maintaining wide popularity.

Year-to-Year Changes in Purchases of Girls' & Boys' Wear: 1983-1987
(Percent change in units purchased)

	Projected	Estimated	Actual	
	1987/86	1986/85	1985/84	1984/83
Girls' wear (ages 1-13), reported total	+ 1.0%	+ 2.0%	- 3.0%	- 5.0%
Blouses & shirts	+ 2.0	+ 8.0	- 1.0	0
Tee/tank/polo shirts	0	- 2.0	-14.0	- 3.0
Active sportswear	+10.0	+48.0	+ 3.0	+23.0
Slacks	+ 5.0	+18.0	+ 6.0	+ 6.0
Denim jeans	- 5.0	-10.0	0	-17.0
Panties	- 2.0	- 3.0	- 4.0	+ 4.0
Sleepwear	- 4.0	-11.0	- 5.0	+ 5.0

(continued)

Year-to-Year Changes in Purchases of Girls' & Boys' Wear: 1983-1987
(Percent change in units purchased)
(continued)

	Projected	Estimated	Actual	
	1987/86	1986/85	1985/84	1984/83
Boys' wear (ages 1-16), reported total	+ 2.0%	- 3.0%	+ 6.0%	0
Casual shirts	+ 2.0	+ 5.0	+ 7.0	- 3.0%
Active sportswear	+ 5.0	+24.0	+ 9.0	+17.0
Slacks	- 2.0	- 3.0	0	+14.0
Denim jeans	0	+ 2.0	+ 6.0	-12.0
Underwear	+ 1.0	- 6.0	+13.0	- 1.0

Source: Kurt Salmon Associates/NPD Purchase Panel,
Soft Goods Outlook for 1987,
Quarterly Newsletter (April 1987)

Retail sales in early 1987 was notable for outstanding dress sales, specifically romantic looks with lace, in soft prints. Also performing well were denim and chambray sportswear, swimwear, and overalls for infants and toddlers. Business was good across the country, with the exception of Texas and other oil-belt states. Fall fashions, based on buyer reaction at a recent children's market trade show, will feature a continuation in the trend to romantic dresses, as well as acid-wash denim looks in sportswear, more fleece in casual classifications and a greater emphasis on fashion merchandise rather than basic goods. Some boys' wear manufacturers are tapping into the recent skateboarding trend, bringing out skateboard styles that they claim will surpass the popularity of surfwear. Others feel that this style is merely a flash in the pan.

Children's and Infants' Footwear

The children's and infants' footwear market is gradually becoming dominated by athletic styles, according to the results of a purchase tracking study conducted by Kormos, Harris & Associates, Inc. The Footwear Market Index survey of 50,000 households also showed that retail sales of children's and infants' footwear tended to be most popular in discount stores, followed by family shoe chains.

The most popular girls' style segment was athletic shoes, accounting for 43.4% of all girls' pairs purchased. Dress shoes other than pumps were next with 13.9% of pairs bought, followed by sandals with 9.5%. The remainder was accounted for by casual styles, pumps, loafers, and penny mocs.

The boys' market was dominated by athletic styles -- 72.1% of all boys' shoes purchased. Dress styles had only 12.6% of the pairage and casuals had 7.7%. The athletic influence also carried over to the infants' show market, where 47.2% of all infant shoes sold fell into this classification. Dress and casual styles accounted for 41.7%.

Children's and Infants' Footwear (continued)

Year-to-Year Changes in Purchases of Children's and Infants' Non-Athletic Footwear: 1983-1987
(Percent change in pairs purchased)

	Projected	Estimated	Actual	
	1987/86	1986/85	1985/84	1984/83
Dress, Casual, Work & Boots:				
Girls'	0	- 6.0%	0	+ 6.0%
Boys'	- 5.0%	0	- 4.0%	+ 8.0
Infants'	+10.0	+15.0	+11.0	0

Source: Kormos, Harris and Associates,
The Footwear Market Index
(Projections by Kurt Salmon Associates)

MRCA Information Services has compiled information on patterns in purchases of infants' and children's wear. The data was developed through purchase diaries maintained by members of a nationwide sample of 11,500 households and published by the Newspaper Advertising Bureau.

Average Purchase Rate (In Units) For Boys' Wear
(Per 1,000 Households)

	Average Month	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Shirts/sweaters	252.2	148.2	134.3	190.3	188.4	186.8	261.4	251.5	469.1	249.7	203.6	285.5	458.2
Pants/slacks/shorts	98.7	28.5	54.4	85.7	120.5	131.2	181.9	108.9	154.0	106.9	50.0	59.2	103.4
Jeans	96.9	65.1	50.6	74.6	65.2	39.4	36.4	119.1	302.6	140.3	58.0	66.0	145.0
Underwear	176.2	113.0	80.8	127.3	87.4	86.8	152.6	187.7	419.7	245.3	138.6	155.3	319.5
Pajamas/robes	23.2	15.9	9.5	10.4	10.7	9.7	17.1	8.2	17.0	23.3	29.4	50.9	76.7
Sport coats/suits	4.2	2.2	4.2	8.6	16.2	2.8	3.9	1.7	2.6	1.5	2.7	2.4	4.0
Coats/raincoats	27.2	25.6	26.5	24.2	22.0	18.0	8.2	13.8	30.2	28.5	31.8	42.5	55.0
Swimwear/sweats	49.4	26.1	22.7	29.3	38.0	47.9	69.5	33.8	59.8	52.2	40.7	56.7	116.0
Infant wear	410.4	297.9	275.8	427.0	390.1	387.7	382.5	322.2	406.4	513.4	440.3	407.9	673.5

(continued)

APPAREL PURCHASE PATTERNS

Average Purchase Rate (In Units) For Girls' Wear
(Per 1,000 Households)

	Average Month	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Blouses/sweaters	264.0	178.5	162.8	209.8	190.5	180.1	255.1	283.9	483.6	301.9	203.9	279.4	439.4
Pants/slacks/shorts	97.8	38.7	40.7	96.1	104.8	145.7	177.3	154.5	155.3	76.2	46.3	55.5	82.3
Jeans	63.7	38.7	39.4	49.1	33.0	30.5	27.7	70.1	188.8	97.2	49.7	57.9	92.0
Dresses/suits/skirts	80.2	34.4	49.8	82.3	121.4	58.5	77.0	79.4	136.9	93.9	46.1	62.3	119.8
Coats/raincoats	16.4	12.1	16.1	15.5	13.1	8.0	9.0	9.8	20.6	23.5	22.0	21.2	25.9
Panties	120.0	68.9	60.4	75.2	88.7	81.8	136.7	163.2	307.7	150.7	60.7	82.0	163.8
Slips/lingerie	24.2	19.4	14.6	13.4	28.5	8.3	13.2	22.2	26.7	36.0	26.0	26.8	55.2
Nightgowns/robes	21.6	14.9	8.9	16.6	12.4	14.9	25.6	11.4	15.3	17.8	26.5	36.2	58.6
Swimwear/sweats	47.2	29.3	25.8	35.4	43.0	59.2	92.5	52.5	47.0	32.2	27.3	46.3	75.9
Infant wear	428.3	326.1	349.7	453.8	444.4	375.6	391.4	354.9	375.0	549.4	389.3	442.7	687.3

Source: MRCA Information Services, 1984
1987 Newspaper Advertising Planbook
(Newspaper Advertising Bureau)

APPAREL SALES BY STORE TYPE

Data on sales of children's wear purchased in major retail outlet types was developed by the U.S. Bureau of the Census in its complete Census of Retail Trade. This census, compiled every five years (most recently in 1982) is the only official data on merchandise line sales by type of retail outlet.

Department stores accounted for 67.5% of reported children's wear sales in major outlets. As defined by the Census Bureau, "department stores" consists of three components: conventional department stores, discounters/mass merchandisers, and department stores operated by national chains such as Sears and Penney. The latter two groups account for a major share of children's wear business.

The Census of Retail Trade does not include a breakdown on how much children's wear business was done by each of these department store operations in 1982. However, there is a breakdown on total store sales for the year: conventional accounted for 32.0%; discount/mass merchandisers, 39.1%; national chains, 38.9%. The mass merchandiser/discounter department stores (which represented 76% of all department store establishments and 68% of department store sales in 1982), have probably increased their shares since the census was compiled.

Infants', Boys' & Girls' Wear Sales Reported For Key Outlet Types: 1982

	Number of Establishments**	Sales Thous. $	Sales %
Children's wear, reported total*	31,666	$6,412,810	100.0%
Department stores***	9,889	4,328,422	67.5
Children's wear stores	5,325	926,734	14.5
Family clothing stores	9,854	763,328	11.9
Women's ready-to-wear stores	5,915	372,584	5.8
Women's accessory & specialty stores	286	13,316	0.2
Men's wear stores	397	8,426	0.1

* Includes boy/girl infants' and toddlers' (including footwear), girls' (sizes 3-14) and subteen (sizes 6-16) clothing and accessories.

** Each business location is counted as a separate establishment (store), including each unit in a multiunit retail operation. Only stores with payroll are included.

***See store description in the commentary preceding the table

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade, Merchandise Line Sales

A report including estimated children's wear sales by store type is the Soft Goods Outlook by Kurt Salmon Associates. Dollar expenditures for the first nine months of 1986 based on purchase panel data compiled by NPD show chains and discounters accounting for 52% of children's wear purchases. Department and specialty stores had 39% of the market and the remaining 9% was in "other" store types, including off-price, factory outlets and variety stores, according to purchase diaries maintained by a representative sample of U.S. households.

Boys' Wear

Information on sales of boys' wear has been reported by the Census Bureau for key store types. This classification covers boys' (sizes 2 to 16), young men's (sizes 13 to 20) and students' (sizes 32 to 44) clothing and accessories. Sales of this merchandise in key outlets was reported to be $4.6 billion in 1982.

Boys' Wear Sales Reported For Key Outlet Types: 1982

	Number of Establishments	Sales Thous. $	Sales %
Boys' wear, reported total	31,878	$4,596,820	100.0%
Department stores*	9,835	3,205,886	69.7
Family clothing stores	12,516	669,737	14.6
Children's wear stores	3,446	323,285	7.0
Men's wear stores	4,288	310,843	6.8
Women's wear stores	1,793	87,069	1.9

Note: Data on infants' and toddlers' wear for boys is combined with girls' wear and is not included in the boys' wear classification above.

*See explanation page 41

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade, Merchandise Line Sales

APPAREL SALES BY STORE TYPE

Infants' Wear

As reported by The Discount Merchandiser in its May 1986 issue, infants' wear sales in discount stores totaled $1.9 billion in 1985, accounting for 2.8% of total discount store sales. Boys' wear sales were $1.7 billion and girls' wear $1.6 billion, 2.5% and 2.4% of the total in this store type, respectively. All types of apparel were 32% of discount store volume. A breakdown of infants' wear sales for major store types, as reported in this publication, are below.

Infants' Wear Sales By Store Type, 1985

	Sales (Thous. $)	% of Total Infants' Wear	% of Total Sales For Each Store Type
Discount stores*	$1,888,000	39.7%	2.8%
Department stores	1,216,000	25.6	2.1
Children's & infants' wear stores	926,000	19.5	45.0
Family apparel stores	406,000	6.7	3.2
Women's ready-to-wear stores	321,000	6.7	1.6

* Includes stores classified as "department stores" by the U.S. Census Bureau

Source: The Discount Merchandiser (May 1986)

Children's Wear Stores

According to the 1982 Census of Retail Trade, there were 5,325 children's wear stores reporting sales that year totaling $1.4 billion. Of this amount, 68.3% was from the sales of infants', toddlers' and girls' wear (except footwear). This represented 14.5% of total children's wear sales by major outlet types.

Retail Sales In Children's Wear Stores, 1982

	Establishments		Amount	% of total
	Number	%	(Thous. $)	store sales
Children's & infants' wear stores, total	5,325	100.0%	$1,356,029	100.0%
Infants', toddlers', girls' wear, except footwear	5,325	100.0	926,734	68.3
Children's footwear	442	8.3	9,294	0.7
Furniture & related products	310	5.8	6,119	0.5
Boys' wear	3,446	64.7	323,285	23.8
Other merchandise	--	--	90,597	6.7

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade, Merchandise Line Sales

APPAREL SALES BY STORE TYPE

Children's Wear Stores

In 1982, 181 firms operating children's/infants' wear stores had sales of $1.0 million or more. They represented 4.3% of the firms, 15.2% of the stores, and accounted for 41.8% of sales.

On a store basis, only 166 stores (out of a total of 4,943 in 1982) had a volume of $1.0 million or more. Their sales share has not been published by the Census Bureau in order to avoid disclosure of individual operations, but it is in excess of 20%, compared with the 7.7% sales share held by stores of this size in 1977.

Though no counts are available, it is known that the number of specialized children's wear outlets has increased rapidly in recent years to capture the growing affluent market for children's items.

Children's Wear Store Firms by Size of Firms: 1977, 1982
(Retail establishments with payroll)

	No. of Firms		% of Total					
			Firms		Stores		Sales	
	1982	1977(e)	1982	1977(e)	1982	1977(e)	1982	1977
Total	4,145*	3,915	100.0	100.0	100.0	100.0	100.0	100.0
Annual sales of firms:								
$1.0 million or more	181	74	4.3	1.9	15.2	6.0	41.8	20.5
Less than $1.0 million	3,964	3,841	95.6	98.1	84.7	94.0	58.2	79.5

(e) estimated for comparability with 1982
* Firms in operation the entire year (There were 4,450 firms in operation anytime during the year)

Source: U.S. Bureau of the Census:
1982 Census of Retail Trade

Specialty stores remain very important to the fashion oriented girls' wear consumer. According to MRCA Information Services, they accounted for 19% of dollar volume and 11% of unit volume in 1986. Tops and bottoms were 70% of these purchases. Specialty stores accounted for 7% of total boys' wear volume during the year. Off-price outlets increased their share of children's wear purchases significantly in 1986, according to MRCA, to 5.1% of dollar volume and 4.6% of unit volume.

STORE OPERATIONS

Department Stores: Operating Results

The National Retail Merchants Association (NRMA) compiles an annual report on operating results in department stores. The most recent figures cover typical (median) results based on stores' reports covering 1985.

Department Stores: Operating Results (continued)

Merchandising & Operating Results of Infants' & Children's Clothing In Department Stores With Total Sales Over $1 Million, 1985

(Median results)

	Infants' & Children's Clothing Total (85)*	Girls' (4-6X, 7-14) Clothing (83)*	Boys' (4-7) Clothing (77)*
Net sales, % change from last year	+ 2.6%	+ 2.7%	+ 1.0%
Sales, % of total store sales	5.8	2.6	0.7
$ sales per square foot of selling space (main or largest selling unit)	$105.8	$114.1	$104.9
Cumulative markon, %	50.8	51.4	50.8
Gross margin, % of sales (incl. cash discounts)	42.4	42.3	40.3
Advertising, % of net sales	3.3	3.4	3.1
Selling salaries, % of net sales	7.7	7.8	7.6
Number of stock turns (times)	3.0	3.1	2.9

* Number in parentheses refer to the number of companies reporting in each category

Source: National Retail Merchants Association, Merchandising and Operating Results of 1985 (1986 Edition)

Self-Service Discount Department Stores: Operating Results

Operating performance indicators for children's wear departments in self-service discount department stores are contained in a report sponsored by the National Mass Retailing Institute and conducted by Cornell University. The study is based on confidential financial and operating information for the fiscal year 1985-86 provided by a total of 27 firms operating 3,162 stores with aggregate sales of $27.1 billion.

Merchandising & Operating Results of Girls', Boys' & Infants' Wear Departments In Self-Service Discount Department Stores, 1985-86

	Girls' Wear	Boys' Wear	Infants' Wear
Departmental stockturns - Number of stockturns	4.4	3.8	4.2
Cumulative markup - Percent of original retail	44.9	42.7	35.7
Stock shortage at retail - Percent of owned dept. sales	1.0	1.2	1.1
Markdown at retail - Percent of owned dept. sales	16.2	16.4	12.0
Gross margin - Percent of owned dept. sales	35.3	33.3	27.5

Source: National Mass Retailing Institute

APPAREL RETAIL ADVERTISING

Newspaper advertising for children's wear is highest in August (Back-to-School) and December (Christmas). In addition, advertising of girls' & teens' dresses and boys' outer apparel is heavy in March (Spring purchases). This data is compiled by the Advertising Checking Bureau.

Percent of Total Newspaper Advertising Linage For
Children's Wear Done Each Mongh

	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Boys' outer apparel	100%	3.0	6.5	12.1	8.1	3.0	1.5	6.8	28.2	5.6	8.3	8.0	8.9
Girls' sportswear and accessories	100%	4.0	6.6	7.3	6.8	7.9	4.6	8.7	23.3	6.0	7.2	8.0	9.6
Girls' & Teens' dresses	100%	2.2	2.8	22.9	15.4	8.1	2.5	5.2	19.8	2.8	2.5	4.6	11.2

Among the leading advertisers in major consumer magazines in 1986 for children's sportswear were Esprit, Oshkosh B'Gosh, Carter's, Spencer's, and Levi and Lee Jeans. In wearing apparel, Health-Tex and Baby Togs had large expenditures. In sleep- wear, Carter's and Spencer's were leaders. In underclothing for children, Carter's, Fruit of the Loom, and Hanes spent the most in magazines.

APPAREL CONSUMER PRICE TRENDS

Consumer Price Indexes For Children's Wear
(Dec. 1977 = 100, unless otherwise indicated)

	Annual Averages			% Change
	1986	1985	1984	1986/1985
All items (1967=100)	328.4	322.2	311.1	+ 1.9%
All apparel commodities (1967=100)	192.0	191.6	187.0	+ 0.2
Boys' apparel	128.7	128.2	125.1	+ 0.4
Coats, jackets, sweaters, & shirts	123.9	123.9	122.0	--
Furnishings	142.6	140.5	136.9	+ 1.5
Suits, trousers, sport coats & jackets	126.9	126.7	122.9	+ 0.2
Girls' apparel	109.9	111.2	108.1	- 1.2
Coats, jackets, dresses, & suits	98.0	103.4	100.7	- 5.2
Separates & sportswear	107.0	106.6	103.6	+ 0.4
Underwear, nightwear, hosiery & accessories	134.6	132.6	128.7	+ 1.5
Infants' & toddlers' apparel (1967 = 100)	312.7	299.7	287.0	+ 4.3

Source: U.S. Department of Labor,
Bureau of Labor Statistics

THE CHILDREN'S MARKET: JUVENILE PRODUCTS & TOYS/DOLLS (PLAYTHINGS)

Market Trends

The proliferation of affluent first-time parents has certainly caught the attention of manufacturers and retailers and has led to an outpouring of new juvenile products in the marketplace. It is well known that the biggest expenditures are on first babies and many parents, now more than ever, have the discretionary income to spend on other than necessities. Their search for both quality and chic, as well as peer pressure, prompts them to spend as much as $10,000 in their baby's first year.

Cribs/Strollers, etc.

Marketers of such first-year necessities as cribs, strollers, car seats, diapers, infant toys and safety gates have seized the initiative to establish brand loyalty early with extensive prenatal marketing efforts. They use prenatal publications, direct mail campaigns, and sampling programs to reach expectant parents, no longer relying on word of mouth as has been done in the past. Parents are expressing greater interest in preparing themselves before birth and a recent survey shows that, in fact, three out of four purchasing decisions on infant items and brands have already been made before the baby comes home from the hospital. Parents attending childbirth classes are likely targets for kits of product samples, while some companies choose to market through pediatricians and, as the last prenatal sell, in the hospital.

What these expectant parents end up purchasing, either before or after birth, will more likely than ever be either an imported product or a licensed product. In the case of strollers, low-end merchandise imported from Taiwan and Korea has led to intense price competition, with the few remaining domestic manufacturers finding it increasingly difficult to make a profit. The high end is also dominated by imports, including such style leaders as Aprica, Perego and Maclaren. In cribs, Lewis of London, a privately held chain of baby boutiques, has grown rapidly as a result of its decision to focus on upscale parents.

Toys/Dolls

Imports of all toys, not just for infants, dominate the industry. High levels of imports from the Far East, particularly Hong Kong, South Korea and Taiwan, have prompted the U.S. Government to reconsider the tariff trade preferences that these countries have enjoyed. In addition, fabric covered stuffed toys were originally included in the textile and apparel trade bill passed by the House of Representatives in 1986. Textile leaders in the U.S. would like these products to become a new category under the Multi Fiber Arrangement.

The glut of imports, however, is not the sole cause of problems for the U.S. industry. Declines in domestic production reflect the inability of the industry to develop substitutes for the excitement-generating products of recent years. After the phenomenal success of Cabbage Patch Dolls (Coleco) and Teddy Ruxpin (Worlds of Wonder), there were no comparable blockbusters in 1986. The toy industry is racing to deliver a new generation of interactive toys that can communicate electronically with specially created television programs, enabling children to shoot their weapons at onscreen characters. In a rather unusual licensing agreement, two of the most popular toys in the country are joining forces. Worlds of Wonder, the maker of a laser tag gun that produces an electronic sound when it hits a target, will market this product bearing the highly popular G.I. Joe name. Worlds of Wonder will give Hasbro an estimated 5 to 7% of the retail sales price for the right to use the name.

(continued)

Toys/Dolls (continued)

More than half of all toys sold last year were licensed products. Some industry members feel that there are simply too many, the direct result of licensors holding onto characters that are past their prime. The short attention span of children keeps even some of the most popular licensed characters in the spotlight for no more than a year or two. During that time, the licensors try to create total environments with their characters, covering the range of juvenile products from bedding to tabletop, etc. The juvenile tabletop market, for example, has accelerated dramatically in the past few years, marked by fierce competition at both department and mass merchant levels. Manufacturers have turned increasingly toward licensing to afford their products instant recognition in getting them noticed on crowded store shelves.

In a new attempt at filling an old children's store niche, Waldenbooks unveiled four Waldenkids stores in April 1987, selling books, educational toys and games in an interactive atmosphere. Billed as a "Creative Center for Children," these stores, and the 40 or so more to be opened by the end of the year, will be situated only in upscale shopping malls, "aimed at parents whose kids are taking ballet lessons at age 4." The stores will feature video monitors, computer games, book readings and puppet shows. Waldenbooks, a subsidiary of K mart, feels that Toys "R" Us, with its heavy discounting and F.A.O. Schwarz, with more of an appeal to gift-giving adults, will not be direct competitors of Waldenkids.

JUVENILE PRODUCT SHIPMENTS

Baby Carriages and Children's Vehicles

Product shipments of baby carriages and children's vehicles were valued at $310.2 million in 1985, down 0.4% from 1984. The 1985 Annual Survey of Manufactures does not provide a breakdown by type of carriage/vehicle. The most detailed breakdown is contained in the 1982 Census of Manufactures. In the following table, shipments are compared with totals from the prior census.

Value of Shipments of Baby Carriages and Children's Vehicles
By All U.S. Manufacturers, 1982
(In millions of dollars)

	1982	1977
Baby carriages and children's vehicles, except bicycles, total	$ 315.1	$ 211.2
Baby carriages, including combination carriage-strollers	20.4	37.4
Strollers	33.0	
Children's automobiles and tractors (pedal driven)	*	14.5
Tricycles, including pedal and chain driven	53.3	77.4
Other children's vehicles, including scooters, sidewalk cycles, wagon's, sleds, etc.	187.6	77.1
Parts for children's vehicles, sold separately	20.3	
Baby carriages and children's vehicles n.s.k.	0.5	4.8

n.s.k. not specified by kind

* In 1982, this was included with "Other children's vehicles"

Source: U.S. Bureau of the Census,
1982 Census of Manufactures MC82-I-39B

JUVENILE PRODUCT SHIPMENTS

Infants' and Children's Wood Furniture

The value of shipments by domestic manufacturers of infants' and children's wood furniture reached $321.1 million in 1985, according to data from the Annual Survey of Manufactures. This is an increase of 13.2% from the 1984 total of $283.6 million. A breakdown by type is contained in the 1982 Census of Manufactures and is compared with data from the 1977 census below.

Value of Shipments of Infants' and Children's Wood Furniture
(Value in millions of dollars)

	1982	1977
Infants' and children's wood furniture, total	$158.8	$118.8
Cribs, including springs sold as part of the crib	74.8	47.7
Other infants' and children's furniture (chairs, tables, wardrobes, cradles, youth beds, chests of drawers, baby baths, nursery seats and chairs, high chairs and combination of feeding chair tables, play yards and play pens, etc.	83.8	59.3
Infants' and children's wood furniture, n.s.k.	0.1	11.8

n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
1982 Census of Manufactures

JUVENILE PRODUCT PURCHASE PATTERNS

First Year Expenditures

Although estimates vary widely, an informal survey of the child care market (Wall Street Journal, April 16, 1986) shows that most new parents should expect to spend about $3,000 to $5,000 in their child's first year. A few luxuries can push this cost closer to $10,000.

The basic necessities include a crib with bumpers, highchair, car seat, stroller, dresser, changing table, diaper pail, infant seat and infant carrier. An explosion in the number of baby products and a certain self-consciousness by parents in showing others how they are providing for their offspring means that parents probably choose from among more discretionary goods than at any time in the past.

First Year Expenditures (continued)

A survey conducted by Burgoyne Inc., Cincinnati (Advertising Age, August 18, 1986) shows that today's parents prepare more for the baby's arrival than ever before. It reports that three out of four purchasing decisions for baby goods are made before the baby comes home from the hospital, including disposable diapers, cribs and car seats.

- Average First Year Expenditures on Babies (Including Gifts)
For Selected Products

Nursery furnishings	$710
Disposable diapers	624
Formula (6 mos.)	532
Clothing	410
Camera & film processing	275
Baby food (6 mos.)	273

Source: American Baby Inc.

Strollers

An increasingly competitive stroller market, fueled by an oversupply of low-end imported merchandise from Taiwan and Korea, has led to widespread price slashing that is expected to be as intense in 1987 as in 1986, if not more so. An overall maturing of the juvenile products market, with a leveling off in volume, has prompted stroller manufacturers to cut prices just to gain market share.

The low-end of the stroller market, which accounts for the most volume, has been hardest hit by pricing pressures. The few remaining domestic manufacturers of strollers are being priced out of the market by imports from the Far East, which account for about 80% of the total U.S. market, most of them retailing for under $100. One domestic manufacturer, Gerico Inc., now sells only portable strollers and has begun importing middle-price strollers from the Orient instead.

Style leaders like Aprica, Maclaren and Perego, whose strollers retail for above $100, are less affected by the reported price wars, though they do cite increasing competitive pressures in major markets. The high-end is more stable because it is more style and quality driven than price conscious. In fact, Aprica's prices actually increased last year, a victim of the rise in value of the Japanese yen.

JUVENILE PRODUCT PURCHASE PATTERNS

Children's Bedding

Infant bedding (for newborns to age two) and juvenile bedding (for ages three to teens) have been steady sellers, with high unit turnover and the absence of heavy promotions experienced in other textile categories. These products are clearly the beneficiary of the increasing number of first births. Second and subsequent children often live with hand-me-downs and expenditures on them drop off dramatically. In addition, the increasing number of older mothers, with higher household incomes, is reflected in bedding sales.

Manufacturers are aware that the trend in juvenile products is toward coordinated groupings which include everything from comforters and sheets to wall hangings and diaper bags, encouraging multiple sales. Several manufacturers and retailers are setting their sights on a slightly older market by offering twin products. Besides being necessities for mothers who are setting up nurseries and children's rooms, children's textiles are of particular appeal to gift-givers, too. By one estimate, about 73% of crib comforters are bought as gifts.

The bulk of children's bedding purchases are in mass merchandisers and chain stores, with mass merchants accounting for more than 80% of sales. The balance is sold through department stores and specialty stores.

Tabletop

Tabletop manufacturers have been expanding existing lines and introducing new ones to take advantage of the highly lucrative juvenile tabletop market. Success by the market leaders in recent years has led many other manufacturers to join the fray.

The two key terms in juvenile tabletop marketing are coordination and licensing. Manufacturers are expanding the market with coordinated looks that go well beyond the standard three piece dinnerware and flatware sets. One market leader, Anacapa, has broadened its line by adding lunch boxes, umbrellas, tablecloths and toothbrushes/toothbrush holders. All these products have the same pattern and/or licensed characters. Other manufacturers have brought out matching clocks, storage buckets, bed trays, and placemats.

With competition at both department stores and mass merchants fierce, licensing of popular characters has taken on increasing importance as resources try to set their entries apart from the rest. Licensing, which has been a staple in other juvenile segments, affords tabletop products instant recognition, a valuable commodity considering the present lack of brand name appeal in juvenile tabletop.

The key to successful character licensing is to link with a character that has lasting popularity. Several juvenile tabletop manufacturers are licensing at least one still popular fictional character. Peter Pan Industries owns the rights to Sesame Street; The Walter Fleisher Company produces Disney characters in malamine; Deka Plastics holds the rights to Muppet babies and Care Bears.

GENERAL INDUSTRY STATISTICS: TOYS/DOLLS

A complete census of manufacturers in the U.S. is compiled every five years by the U.S. Bureau of the Census. Data from the most recent census covering 1982 and data from the 1983-1985 Annual Surveys of Manufactures shows the recent declines in the industry that have carried over into 1986 and 1987. These declines reflect the inability of the industry to develop substitutes for the excitement, generating products of previous years. This has resulted in increased inventories being carried over from one year to the next. The current glut in the market, as well as increasing competition from imports, continue to reduce employment in the industry.

Toys, Games and Children's Vehicles (SIC 3944*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	732	--
Number of establishments, total**	na	700	760	780	--
Number with 20 or more employees	na	221	235	253	--
Employees, total (thous.)	27.6	33.5	43.9	43.8	-17.6%
Production workers (thous.)	20.6	26.1	34.4	32.2	-21.1
Payroll (mil. $)	$ 462.5	$ 530.9	$ 565.6	$625.0	-12.9
Value added by manufacture# (mil. $)	1,714.8	2,120.5	1,980.0	2,622.6	-19.1
Value of industry shipments## (mil. $)	3,323.7	4,020.2	3,552.8	4,476.0	-17.3
Capital expenditures, new (mil. $)	68.2	66.6	99.8	111.5	+ 2.4
Machinery and equipment (mil. $)	na	na	na	84.0	--

Dollas (SIC 3942*)

	1985	1984	1983	1982	% Change 1985/84
Number of companies	na	na	na	232	--
Number of establishments, total**	na	220	221	236	--
Number with 20 or more employees	na	65	60	70	--
Employees, total (thous.)	3.5	6.4	7.7	7.1	-45.3%
Production workers (thous.)	2.4	5.1	5.5	5.7	-52.9
Payroll (mil. $)	$ 52.4	$ 89.7	$ 103.1	$ 84.7	-41.6
Value added by manufacture# (mil. $)	231.3	312.6	335.7	208.1	-26.0
Value of industry shipments## (mil. $)	496.0	614.9	595.1	396.3	-19.3
Capital expenditures, new (mil. $)	16.2	na	na	7.1	--
Machinery and equipment (mil. $)	na	na	na	3.4	--

na not available

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made, shown below:

SIC 3944 includes establishments engaged in manufacturing games and game sets for adults and children as well as mechanical and nonmechanical toys excluding bicycles.

SIC 3942 covers establishments primarily engaged in the manufacture of dolls, doll parts and doll clothing. Establishments primarily engaged in manufacturing stuffed toy animals are also included in this industry.

(footnotes continued)

GENERAL INDUSTRY STATISTICS: TOYS/DOLLS

(footnotes continued)

** Covers manufacturing establishments (plants) only, and each location is separately counted. Figures for 1984 are from County Business Patterns, U.S. Bureau of the Census.

# Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

## The value of industry shipments includes both primary and secondary products made by manufacturers in the industry, as well as receipts for contract work and miscellaneous receipts. The value of primary products made in this industry, as well as the value of these products made by secondary producers is covered in the Value of Shipments section of this Fact File.

Source: U.S. Bureau of the Census,
1985, 1984, 1983 Annual Survey of Manufactures
1982 Census of Manufactures

Industry Shipments

Data reported by the International Trade Administration shows industry shipments for the doll and toys & games industries on a constant dollar basis. Projections show that, by eliminating the effects of inflation, both industries will experience declines in 1987.

Value of Industry Shipments, 1984-1987
(Value in millions of 1982 dollars)

	1987(e)	1986(e)	1985(e)	1984	% Change			Compound Annual Growth Rate
					1987/86	1986/85	1985/84	1984/79
Dolls (SIC 3942)	$ 646	$ 658	$ 666	$ 626	- 1.8%	- 1.2%	+ 6.5%	+ 8.4%
Toys & Games (SIC 3944)	3,737	4,001	4,037	3,958	- 6.6	- 0.9	+ 2.0	- 2.1

(e) estimated

Source: U.S. Department of Commerce,
International Trade Administration:
1987 U.S. Industrial Outlook

GENERAL INDUSTRY STATISTICS: TOYS/DOLLS

Employment & Earnings

Strong competition from imports and the continued movement of domestic manufacturers to offshore sites contributed to reduced employment in the toy industry in 1986. Total employment fell about 2%. On the plus side, the movement of companies offshore helped create more jobs in jobs peripheral to toy manufacturing, such as licensing and marketing.

Employment & Earnings in the Toy Industry

	Annual Averages			% Change
	1986	1985	1984	1986/85
Dolls, games, toys, and children's vehicles (SIC 3942,4):				
All employees (thous.)	44.1	45.0	52.9	- 2.0%
Production workers (thous.)	31.2	31.8	38.2	- 1.9
Avg. weekly earnings	$268.32	$246.65	$238.46	- 8.8
Avg. weekly hours	39.0	38.6	38.9	+ 1.0
Avg. hourly earnings	$ 6.88	$ 6.39	$ 6.13	+ 7.7

* For definition of SIC codes, see page 5

Source: U.S. Bureau of Labor Statistics, Employment & Earnings

In 1986, there were numerous mergers and acquisitions in the toy industry as manufacturers tried to obtain market share in the face of rising imports and the lack of new "hot" products. Coleco, which has seen its Cabbage Patch sales dwindle, purchased Selchow & Righter, which developed Trivial Pursuit. In a move indicative of things to come, Mattel announced its intention to acquire Arco Industries, an independent Hong Kong exporter.

Leading States

New York is the leading state nationally in the production of both dolls and toys. California, home state of Dakin and Mattel, is a close second in value added and the leading state in number of plants producing toys.

Industry Statistics For Leading States

	All Plants		Employees		Value Added By Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Dolls (SIC 3942),						
U.S. total	236	70	7.1	100.0%	$208.1	100.0%
Leading states:	115	44	4.8	67.6	164.3	79.0
New York	88	32	3.1	43.7	81.2	39.0
New Jersey	12	7	1.2	16.9	65.8	31.6
California	15	5	0.5	7.0	17.3	8.3

(continued)

Industry Statistics For Leading States
(continued)

	All Plants		Employees		Value Added By Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Games, toys and children's vehicles (SIC 3944),						
U.S. total	780	253	43.8	100.0%	$2,622.6	100.0%
Leading states:	371	131	23.3	53.2	1,431.5	54.6
New York	109	42	7.9	18.0	446.0	17.0
California	125	30	4.2	9.6	418.8	16.0
Ohio	33	14	2.6	5.9	254.1	9.7
New Jersey	50	24	4.5	10.3	160.2	6.1
Illinois	54	21	4.1	9.4	152.4	5.8

Source: U.S. Bureau of the Census,
1982 Census of Manufactures

TOYS/DOLLS PRODUCT SHIPMENTS

The value of product shipments covers the total value of shipments of specified items by all U.S. manufacturers, regardless of industry classification based on primary products. This is in contrast with "industry shipments" covered at the beginning of this section.

Data on product shipments of toys by domestic manufacturers is covered in the 1985 Annual Survey of Manufactures. The downward trend in toy shipments represents the absence of new blockbusters. Manufacturers are trying to capitalize on previous successes, such as the enormous popularity of Coleco's Cabbage Patch Dolls, which dominated the marketplace in 1984.

Value of Shipments By All U.S. Producers Of Specified Categories of Toys, 1982-1985

	Millions of Dollars				% Change
	1985	1984	1983	1982	1985/84
Dolls and stuffed toy animals (SIC 3942)	$ 309.0	$ 612.5	$ 554.2	$ 523.6	- 49.6%
Games, toys, and children's vehicles (SIC 3944)	2,752.7	3,167.5	3,199.9	3,976.9	- 13.1
Baby carriages and children's vehicles, except bicycles	310.2	311.3	356.8	315.1	- 0.4
Toys, excluding games, hobbies, and electronic toys	1,310.7	1,430.6	1,361.4	1,329.5	- 8.4
Hobbies and models	363.9	389.6	429.2	377.0	- 6.6
Nonelectronic games	489.5	763.6	447.9	399.1	- 35.9
Electronic games and toys	103.8	125.2	390.4	1,347.8	- 17.1
Games, toys, and children's vehicles n.s.k.	174.7	147.1	214.1	208.5	+ 18.8

n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
1985 Annual Survey of Manufactures

TOYS/DOLLS PRODUCT SHIPMENTS

Data compiled by The NPD Group, in conjunction with Toy Manufacturers of America, details product shipments by both U.S. manufacturers and foreign sources. Imports make up the bulk of toy shipments, as discussed in the section on Foreign Trade (page 59).

In addition, many domestic producers supplement their U.S. operations by contract manufacturing operations overseas. Others own factories outright in both the Far East and Europe. The dollar volume figures below are the first billing value; in other words, the first price paid for an item in the U.S.

Total manufacturers' shipments were a projected $8.8 billion in 1986, up 1.5% from 1985. In terms of quantity, shipments fell 2.5% for the year to 1.9 billion units. The biggest increase in shipment value during 1986 was in plush, particularly electronic and musical plush. Electronic game shipments rose nearly 62% in quantity. Robots and baby dolls fell substantially in shipments, in both their value and quantity.

Product Shipments of Toys By Category, 1985 and 1986
(Value and quantity in millions)

	Value of shipments		Quantity	
	1986	1985	1986	1985
Toy industry, total	$8,810	$8,684	1,945	1,995
Action figures/dolls & accessories	2,193	3,128	360	512
Robots	244	726	49	106
Action figures	501	487	132	143
Baby dolls	365	758	19	33
Fashion dolls	174	129	22	18
Talking dolls	71	--	1	--
Doll houses	88	70	4	12
Plush	1,062	585	123	90
Traditional plush	749	488	100	73
Electronic & musical plush	313	97	23	17
Games/Puzzles	760	611	184	157
Children's board games	86	57	17	13
Action/skill games for children	84	60	15	11
Totally Electronic Games	421	235	21	13
Riding Toys (excluding bicycles)	288	283	15	18
Plastic tricycles	59	72	5	6
Metal tricycles	28	24	1	1
Non-Riding Transportation	651	695	197	209
Art/Crafts/Models	410	375	178	177

(continued)

TOYS/DOLLS PRODUCT SHIPMENTS

Product Shipments of Toys By Category, 1985 and 1986
(Value and quantity in millions)
(continued)

	Value of shipments		Quantity	
	1986	1985	1986	1985
Miscellaneous activity toys	$ 356	$ 290	143	132
Sports/Outdoor toys	515	457	77	67
Playground equipment	135	118	3	3
Water/Sand/Pool toys	35	40	16	14
Infant/Pre-School	860	824	175	167
Infant toys	247	255	53	65
Pre-school blocks	90	50	16	9
Pre-school learning toys	55	33	8	5
Pre-school talking/sound toys	54	56	6	6
Pre-school tub toys	30	20	10	7
Pre-school push/pull toys	63	42	9	7
Pre-school playsets	54	68	4	6
Role playing toys	261	255	51	52
Remaining miscellaneous	1,033	946	421	401
Building sets/construction toys	183	189	28	25
Activity books	66	69	129	138
Educational/scientific toys	37	58	13	14

Source: The NPD Group in conjunction with
Toy Manufacturers of America

FOREIGN TRADE: TOYS/DOLLS

Imports

U.S. imports of dolls fell 3.5% for the first three quarters of 1986 in contrast with the same period in 1985. At the same time, imports of toys decreased 2.2%. For all of 1986, doll imports are expected to be about 30% lower than in 1985 with annual toy imports up a modest 10%. The slowing of imports is the result of changing consumer preferences, rather than any significant impact due to depreciation of the dollar. Demand in the U.S. for the latest "hot" items has not yet offset the loss in volume from the previous best sellers. Furthermore, the currencies of Taiwan, South Korea and Hong Kong, the largest suppliers, are roughly pegged to the U.S. dollar.

Imports (continued)

Hong Kong remains the primary source of U.S. imports of toys, models, tricks and party favors. In the third quarter of 1986, it accounted for 27% of the total. Japan, Taiwan, China and South Korea were the next largest suppliers, together accounting for another 46%. The primary suppliers of dolls and stuffed toys were South Korea, Taiwan, China and Hong Kong, which together accounted for 94% of the total.

U.S. Imports of Dolls and Toys, Three Quarters 1985, 1986 and Annual 1984, 1985

	Jan. - Sept.		% Change	Annual		% Change
	1986	1985	1986/85	1985	1984	1985/84
Dolls and stuffed toy figures of animate objects: Value (mil. $)	$ 741.5	$ 768.1	- 3.5%	$1,000.7	$ 779.6	+28.4%
Toys (except games), models, tricks, party favors: Value (mil. $)	1,050.9	1,074.9	- 2.2	1,452.6	1,019.9	+42.4
Children's vehicles (except bicycles & baby carriages): Value (mil. $)	92.4	69.2	+33.4	85.8	63.2	+35.6

Source: U.S. International Trade Commission, U.S. Trade Shifts in Selected Commodity Areas: Third Quarter 1986

In 1986, the ratio of imports to apparent consumption (U.S. domestic shipments plus imports minus exports) of dolls was approximately 56%, down from 62% in 1985. The ratio for toys was 31% in 1986 compared with 36% the year before. The U.S. Industrial Outlook (International Trade Administration) reports that further realignment of interest rates during 1987 is not expected to alter the flow of imports in these categories.

Exports

Despite a rise in U.S. exports of dolls for the first three quarters of 1986, year-end 1986 totals show an estimated decline of 13.6%. Toy exports are down an estimated 5.1% for the year. U.S. exports make up a small percentage of the total value of U.S. product shipments. In 1986, they represented 1.6% for shipments of dolls and 5.6% for toys.

FOREIGN TRADE: TOYS/DOLLS

Exports

U.S. exports of dolls and toys are declining in the face of increasing competition from Asian sources in third-country markets. Canada, the United Kingdom and Mexico were the largest U.S. export markets for toys during the third quarter of 1986, together accounting for 53% of the total.

U.S. Exports of Dolls and Toys, Three Quarters 1985, 1986 and Annual 1984, 1985

	Jan. - Sept.		% Change	Annual		% Change
	1986	1985	1986/85	1985	1984	1985/84
Dolls and stuffed toy figures of animate objects: Value (thous. $)	$7,296	$6,321	+15.4%	$8,703	$11,360	-23.4%
Toys (except games, models, tricks, party favors) Value (thous. $)	127,624	134,650	- 5.2	178,971	198,037	- 9.6
Children's vehicles (except bicycles & baby carriages): Value (thous. $)	2,252	2,036	+10.6	2,920	3,483	-16.2

Source: U.S. International Trade Commission, U.S. Trade Shifts in Selected Commodity Areas: Third Quarter 1986

TOYS/DOLLS PURCHASE PATTERNS

In the wake of slowing growth in the $12 billion toy industry, manufacturers and retailers alike are scrambling to fill the void left by products that have propelled the industry for several years. The popularity of Coleco's Cabbage Patch Dolls, which dominated consumer demand in 1984, was followed in 1985 by Masters of the Universe (Mattel) and GoBots and Pound Puppies (Tonka). Although introduced in late 1985, Teddy Ruxpin, the hot-selling talking bear from Worlds of Wonder Inc. became the most popular toy that year.

In 1986, retail sales of Cabbage Patch Dolls, which many hoped would buoy the industry until the next big item, have fallen faster than expected. They fell from their peak level of $600 million annually to about $300 million. Toy industry analysts are cautiously optimistic that electronic toys such as Teddy Ruxpin and infrared-light emitting toy guns will continue to be solid, if not overwhelming, performers. A number of retailers, however, feel that such products are prone to rapid obsolescence, perhaps recalling the financial troubles caused by the decline of video toys a few years ago.

TOYS/DOLLS PURCHASE PATTERNS

Percentage of Toy Sales By Category: Year Ended June 30, 1986

	% of total
Dolls and action figures	31.6%
Games and puzzles	11.6
Preschool and infant toys	10.1
Activity toys	9.5
Toy vehicles	9.0
Riding toys	8.6
Stuffed toys	7.6
Arts and crafts	4.2
Other	7.8

Note: Children's books and video games are not included

Source: NPD Group
(*Wall Street Journal*, September 12, 1986)

Purchases By Grandparents

In the toy market, grandparents spend an average of 25 cents out of every dollar, with the bulk of their expenditures (68%) for their grandchildren. The rest is spent on craft and hobby items and board games for personal use. Parents account for 58 cents out of every dollar spent on toys, with 92% of their expenditures for their children.

Most of the money spent by grandparents (70%) are for infants, toddlers and preschoolers under six years old. They spend 22% for children from seven to ten years old and 8% for 11 to 17 year olds. In addition, the first purchases for the newborn, in the layette category, are usually made by grandparents.

Demographics show that grandparents generally have more discretionary income and fewer grandchildren to spend it on. People over 65 have the highest per capita discretionary income of any age group. Income in this age group has risen 13.5% in real terms in the past five years.

In 1950, there were 2.4 grandchildren for every grandparent. Due to a combination of rising longevity and declining birthrates, today there is only 1.2.

TOYS/DOLLS PURCHASE PATTERNS

Toy Purchases: Expenditures By Parents and Grandparents
(Percent spent on each category)

	Parents	Grandparents
Preschool	11.4%	15.7%
Arts/Crafts/Models	2.9	3.5
Activity toys	13.4	14.6
Dolls (including action figures)	26.3	25.6
Games and puzzles	7.1	7.8
Infants' toys	2.5	2.5
Vehicles (cars, trucks, trains)	9.5	12.3
Ride-ons	11.1	6.4
Electronic games	6.8	2.5
All other	9.1	9.1

Source: NPD Group
(Children's Business, February 1986)

Sales By Season

As reported by NPD Research (1987 Newspaper Advertising Planbook), the bulk of annual toy sales are concentrated in the fourth quarter of the year, with nearly 61% in November and December.

Percent of Annual Toy Sales By Month

	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Annual toy sales	100%	3.6	2.6	3.3	4.0	3.0	3.5	4.2	3.2	4.4	7.4	19.8	41.0

Source: NPD Research,
(1987 Newspaper Advertising Planbook)

TOYS/DOLLS SALES BY STORE TYPE

Discount stores, with a 30.6% share of the retail toy market in 1985, have maintained their considerable lead over other store types in sales as the market has fallen from its huge increases of the early 1980's to more modest levels. In 1984, discount stores accounted for 30.7% of toy sales, according to Toy Manufacturers of America, and 29% the year before that.

Department stores are losing their share of the business as many stores either pare down or eliminate toy departments in the face of stiff competition for selection and price from the national toy chains. Among those phasing out their departments are Rich's, Filene's, Hecht's and Macy's California.

TOYS/DOLLS SALES BY STORE TYPE

Among those department stores keeping their toy department, and doing so in a unique way, is B. Altman's, which leased its toy department to F.A.O. Schwarz in the fall of 1986. In the process, Altman's gains the specialized buying knowledge that only Schwarz can offer and the ability to differentiate itself from other toy retailers in their market areas. Altman's strategy, as well as that of other major department store toy retailers, is to emphasize more exclusive, upper end toy items. They are not making an effort to pursue widely distributed, promotional toys since such mass market toys cannot be sold at a mark-up suitable to department stores' profit requirements.

Toys "R" Us's toy market share has grown from 5% in 1978 to about 15 1/2% in 1985. At year end 1986, there were 271 U.S. stores and its chairman sees the potential for 700 in new and existing markets. The company reported 1986 sales of $2.5 billion, up 24% over 1985.

Toy Industry Sales By Store Type, 1984-1985

	1985 Sales		1984 Sa[illegible]s	% Change
	Mil. $	%	Mil. $	1985/84
Total	$10,673.5	100.0%	$10,737.7	- 0.6%
Discount stores	3,266.4	30.6	3,299.9	- 1.0
Sears/Penneys/Wards	931.3	8.7	1,020.0	- 8.7
Other department stores	612.9	5.7	622.4	+ 1.5
Toy chains	1,990.1	18.6	1,917.1	+ 3.8
Other toy stores	472.1	4.4	419.7	+ 12.5
Catalog showrooms	688.2	6.4	724.4	- 5.0
Food and drug stores	692.5	6.5	669.0	+ 3.5
Variety stores	458.7	4.3	532.7	- 13.9
Other outlets	1,561.3	14.6	1,532.5	+ 1.9

Source: NPD Group/Toy Manufacturers of America
(Discount Merchandiser, February 1987)

Toy Sales For Specified Categories By Store Type, 1985
(Millions of dollars)

	Plush Toys	Action figures/ Robots	Non-powered Trucks	Baby Dolls
Total	$ 681.9	$1,448.5	$ 176.5	$655.9
Discount stores	186.7	524.8	69.0	203.2
Sears/Penneys/Wards	56.9	121.1	4.7	79.4
Other department stores	64.3	101.3	12.6	43.3
Toy chains	101.4	276.9	25.3	119.4
Other toy stores	31.1	66.4	4.9	35.5
Catalog showrooms	49.8	117.8	9.5	54.3
Food and drug stores	48.5	59.0	10.8	43.8
Variety stores	26.2	69.6	11.4	29.4
Other outlets	117.0	111.7	28.4	47.6

Source: NPD Group/Toy Manufacturers of America
(Discount Merchandiser, February 1987)

TOYS/DOLLS RETAIL ADVERTISING

As blockbuster sellers of years past fade in popularity and toy companies search for the next "hot item", there is a lot of scrambling going on by major toy marketers to gain the edge in advertising. Coleco and Hasbro, among others, are reassigning accounts, some that have been with particular advertising agencies for many years.

With the decline of its Cabbage Patch Kids dolls, Coleco reported a loss of $110 million on sales of $500 million in 1986. Compared to 1985 when Coleco spent more than $50 million on TV advertising, the company spent approximately $30 million in 1986, concentrated in the fourth quarter. The company is banking on interactive toys, such as Talking Cabbage Patch Kids and a talking ALF doll to bolster its position.

The state of the industry has also prompted retailers to adjust their advertising. Toys "R" Us, after a major review, has reassigned creative responsibility for its estimated $15 million account. Its new advertising will focus on the chain's reputation as a "children's supermarket."

Advertising expenditures in 1985 for the three leading toy advertisers are below. Each allocated more than 90% of its budget to television advertising (network and spot). Spending figures for 1986 are not available.

Leading Toy Advertisers, 1984 and 1985

	U.S. Ad Spending (Thous. $)		Advertising % of Sales	
	1985	1984	1985	1984
Hasbro Inc.	$114,849	$84,865	11.9%	15.1%
Mattel Inc.	85,092	75,983	11.1	10.9
Coleco Industries	58,347	54,405	8.2	7.7

Source: Advertising Age, November 3, 1986

Total toy industry advertising in 1985 amounted to $371.4 million, as measured by Leading National Advertisers and Broadcast Advertisers Reports, Inc. This represents a 19% increase from 1984.

Toy Industry Advertising Expenditures, 1984 and 1985
(In thousands of dollars)

	1985		1984	
Total	$371,360	100.0%	$312,067	100.0%
Spot TV	197,005	53.0	128,173	41.1
Network TV	129,793	35.0	245,066	46.5
Magazines	36,313	9.8	37,208	11.9
Network Cable TV	7,779	2.1	1,034	0.3
Newspaper Supplements	317	0.1	330	0.1
Outdoor	139	--	201	0.1
Network Radio	14	--	55	--

Source: Leading National Advertisers,
Broadcast Advertisers Reports, Inc.

C3400-1 101-u

The Textile/ Apparel Industries

FAIRCHILD FACT FILE

Prepared by
Market Research Division
Audrey S. Balchen, Director
Gregory Becker, Research Analyst
Kenneth Greenman, Research Analyst

Distributed through
Book Division
Fairchild Publications
Division of Capital Cities Media, Inc.
New York

THE TEXTILE/APPAREL INDUSTRIES

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E. B. Gold, Manager
Fairchild Book Division

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Standard Book Number: 87005-590-9

Printed in the United States of America

THE TEXTILE/APPAREL INDUSTRIES

Current Trends

The restructuring and consolidation of the textile and apparel industries, and the stepped-up investment in new technology, has resulted in gains in capacity utilization, productivity, and financial results. A realization of the need for cooperative effort in the face of the flood of imports, which continue to pour into the U.S., has helped unify some disparate elements in the complex--from fiber production and weaving to product assembly, distribution, and retailing--and encouraged a rapid adoption of new information technologies.

Since the middle of 1984, output of textile mills has risen 22.5% and there has been a slow but steady increase in the hiring of production workers. Earnings in leading mills shot up 94% last year. In the first quarter of 1987, total sales for seven major textile mills rose 7.9% over the same 1986 period, while profits more than doubled.

In viewing the outlook for 1987, the U.S. Chamber of Commerce has anticipated a rise of 7.7% in output of textiles, and a 3.3% gain in apparel production. However, despite the optimism generated by technical progress, the textile/apparel complex is subject to rapidly changing, very influential global developments which shape its future.

For example, developing world markets are stepping up competition for raw materials as well as finished goods. Due to sharply increased buying by China, the price of raw cotton has escalated. Australian wool prices, too, are suddenly shooting up. Following the pattern, domestic producers of manmade fibers are announcing price increases. These increases will squeeze profit margins in the near term; then they will be felt at the cutter and retailer level. Another blunting of the competitive edge for U.S. suppliers in relation to imports?

Industry observers point out that, in any event, the improved industry performance cannot be sustained unless imports are controlled. This is a major objective of the textile/apparel complex at this time, though not unanimously supported by all members. The trade deficit continues to grow, although there are indications that bilateral agreements negotiated under the terms of the Multifiber Agreement are having some effect; although there are problems in enforcement, in transshipments, etc.

New bilateral agreements have now been negotiated with all the major U.S. textile and apparel suppliers except China. These limit the growth in exports of Taiwan, Japan, South Korea and Hong Kong to about 1% a year. Figures on imports for March--the first month of this year not affected by pre-agreement carryovers--registered a decline, though this was solely in textiles, while apparel imports were up almost 4%.

China has now replaced Taiwan as the largest supplier to the U.S., accounting for 13% of our import total in textiles/apparel last year. China has refused to negotiate trade agreements, and imports grew in the first quarter this year despite embargoes placed on 15 categories of textiles and apparel thus far this year. Millions of dollars worth of this merchandise have entered the U.S. on counterfeit visas and have been seized, causing considerable difficulties for retailer/importers.

Current Trends (continued)

Last September, the Group of Five (U.S., Great Britain, France, West Germany, Japan) began to collaborate to weaken the U.S. dollar and thereby help the U.S. cut its trade deficit. While benefiting some U.S. industries, textiles and apparel are generally not helped. Their main competition is coming from Asian nations whose currencies until recently have been pegged to the dollar. The currencies of some, notably Taiwan and South Korea--with urging from the U.S.--are getting stronger, even though still dollar-linked, and these suppliers are losing some of their cost advantage. The Atlanta Federal Reserve Bank's currency index, as of March 1987, showed the dollar had dropped nearly 15% against Taiwan's currency in the past 18 months; a similar trend was noted for South Korea, Singapore and Australia. (In contrast, the dollar had fallen 40% against the Japanese yen.)

In another development leading to better trade relations, Taiwan has agreed to significantly reduce tariffs on American textiles and apparel for a one-year extension of the three-year U.S.-Taiwan bilateral agreement.

Hopefully, U.S. exports of textiles and apparel will pick up this year. However, competition continues to grow. Trade sources view with alarm the emergence of new textile exporting countries that are shipping larger and larger quantities to the U.S. and elsewhere. Malaysia, for example, has just negotiated a new aggregate limit allowing it to ship 28% more this year to the U.S. Imports from that source grew from 43 million SYE's in 1983 to 200 million in 1986. Devaluation of the dollar is a two-edged sword: machinery needed by U.S. textile and apparel plants comes primarily from sources benefiting from our devalued dollar, and is now much more expensive.

The Textile and Apparel Trade Act of 1987 is now under consideration in Congress. This calls for global quotas on all textile, apparel and non-rubber footwear products. It is opposed by the Administration (and likely to be vetoed) on several grounds: it is claimed it would hurt U.S. consumers, provoke retaliation, violate other obligations and agreements to which the U.S. is committed, and undermine efforts to secure more open trading systems for U.S. exports.

Meanwhile, quota problems are forcing large importers and retailers to seek new sources of supply, both in the Far East and back in the U.S. At the start of the second quarter this year, the outlook for the domestic industry and the market for the short term is clouded by many uncertainties. For the long term, there is hope that a revitalized textile/apparel complex will find its place with an important stake in the global picture.

GENERAL INDUSTRY STATISTICS

Trends: 1972-1986

The Department of Commerce has reported the value of industry shipments (including all products made within the industry plus miscellaneous receipts) for the textile and apparel industries on a constant dollar basis, which eliminates the factor of inflation. In the table below, the constant values reported for each year from 1972 through 1986 have been converted to indexes, which profile the real results.

In real value, textile industry shipments in the U.S. peaked in 1979, while preliminary estimates for 1986 for the apparel industry show that to be the best year.

Index of the Value of the Textile and Apparel Industry Shipments
(Value in 1982 = 100)

Year	Textile Mill Products	Apparel & Other Textile Products
1972	105.4	92.7
1973	104.9	95.1
1974	96.4	87.6
1975	94.2	88.2
1976	103.5	92.3
1977	112.5	100.1
1978	113.0	102.7
1979	114.1	98.0
1980	109.5	97.4
1981	106.3	97.7
1982	100.0	100.0
1983	110.8	102.4
1984	111.9	104.2
1985(e)	108.0	102.7
1986(e)	110.1	104.7

(e) estimated

Source: Based on U.S. Bureau of the Census and International Trade Administration Reports (1987 U.S. Industrial Outlook).

The International Trade Administration has published recent performance and forecast statistics for segments of the textile-apparel complex. Trends in industry shipments and miscellaneous receipts were reported as follows, on a constant dollar basis:

GENERAL INDUSTRY STATISTICS

Trends: 1972-1986 (continued)

Reported Industry Segments	Value of Industry Shipments: Percent Change (Constant 1982$)			
	Compound Annual Change		Annual Change	
	1972-1984	1979-1984	1984/85(e)	1985/86(e)
Textile industry*	+ 0.5%	- 0.4%	- 3.5%	+ 1.9%
Manmade fibers				
Cellulosic	- 0.8	- 6.6	-15.0	+ 6.4
Noncellulosic (organic)	+ 4.8	- 1.6	+ 2.4	+ 2.1
Yarn mills, except wool	+ 1.0	+ 0.9	- 4.6	+ 9.4
Wool yarn mills	- 3.4	- 0.7	- 6.8	+ 7.5
Knit fabric mills	- 2.8	- 6.3	+ 2.5	- 1.8
Weaving mills, total	- 0.3	- 1.6	- 4.2	+ 4.1
Cotton fabrics	- 3.4	- 6.2	- 2.0	+ 5.0
Manmade fabrics	+ 1.4	+ 0.2	- 4.0	+ 2.6
Wool fabrics (incl. finishing)	+ 1.6	+ 5.4	-14.4	+14.9
Apparel & other textile products	+ 1.0%	+ 1.2%	- 1.4%	+ 1.9%
Men's & boys' wear:	- 1.0	- 0.2	- 2.9	+ 1.1
Suits & coats	- 3.4	- 1.4	- 4.1	- 1.2
Shirts/nightwear	- 0.8	- 0.2	- 6.9	-0-
Trousers	- 2.8	- 0.9	- 5.2	+ 1.5
Work clothes	+ 2.2	+ 1.0	+ 1.9	+ 2.9
Women's, misses' outerwear	+ 1.7	+ 1.1	- 4.1	- 0.3
Blouses	+ 4.0	-0-	- 4.0	- 0.8
Dresses	- 0.9	+ 0.4	- 3.4	- 1.8
Suits, coats	+ 4.3	+ 2.9	- 5.1	+ 2.0
Children's, infants' outerwear	+ 1.3	+ 4.2	- 0.4	+ 2.7
Dresses, blouses	+ 2.4	+ 5.4	- 0.1	+ 2.2
Coats, suits	- 4.7	- 3.6	- 2.5	+ 7.3

(e) estimated
* Not including manmade fibers (which are classified in the Chemical Industry).

Source: U.S. Department of Commerce,
International Trade Administration:
1987 U.S. Industrial Outlook.

Every five years, the Census Bureau, U.S. Department of Commerce, compiles a complete census of all manufacturers in the Nation which have one or more employees. This is the most detailed source available on industry statistics; the most recent covering the year 1982. During intercensal periods, the Bureau compiles annual surveys among a representative sample of manufacturers (as opposed to a complete census), and this system provides a continuous series of basic industry statistics. Results of the 1985 annual survey were published early in 1987.

General Statistics by Major Industry Classification

(Covering U.S. manufacturers with one or more employees)
(Dollar figures in millions)

Industry Classification	1985	1984	1982(r)	% Change 1985/82
Man-made Fiber Producers:				
CELLULOSIC MAN-MADE FIBERS (SIC 2823*)				
Number of companies	na	na	14	--
Number of establishments (plants)**	na	18#	18	--
Number with 20 or more employees	na	8#	9	--
All employees (thous.)	12.1	13.3	14.2	- 14.8
Production workers (thous.)	9.0	10.0	10.8	- 16.7
Payroll	$ 311.3	320.9	291.0	+ 7.0
Value added by manufacture***	$ 390.2	489.3	428.7	- 9.0
Cost of materials	$ 744.7	813.1	806.8	- 7.7
Value of industry shipments****	$1,148.1	1,307.2	1,239.9	- 7.4
New capital expenditures	$ 43.3	na	88.4	- 51.1
Machinery & equipment	na	na	80.1	--
ORGANIC FIBERS, NONCELLULOSIC (SIC 2824*)				
Number of companies	na	na	44	--
Number of establishments (plants)**	na	72#	70	--
Number with 20 or more employees	na	60#	57	--
All employees (thous.)	50.9	54.1	60.2	- 15.6
Production workers (thous.)	37.0	39.8	43.1	- 14.1
Payroll	$1,408.7	1,438.0	1,382.0	+ 1.9
Value added by manufacture***	$3,851.0	4,367.0	3,317.9	+ 16.1
Cost of materials	$5,349.1	5,633.6	4,973.4	+ 7.5
Value of industry shipments****	$9,283.7	9,919.9	8,262.7	+ 12.4
New capital expenditures	$ 354.3	334.9	442.9	- 20.0
Machinery & equipment	na	na	401.3	--
TEXTILE MILL PRODUCTS INDUSTRY (SIC 22*)				
Number of companies	na	na	5,376	--
Number of establishments (mills)**	na	6,244#	6,630	--
Number with 20 or more employees	na	3,658#	3,663	--
All employees (thous.)	658.4	709.5	717.4	- 8.2
Production workers (thous.)	565.3	610.5	615.5	- 8.1
Payroll	$ 9,967.1	10,191.6	9,046.1	+ 10.2
Value added by manufacture***	$20,693.3	22,110.4	18,550.2	+ 11.5
Cost of materials	$32,258.3	33,683.2	28,713.4	+ 12.3
Value of industry shipments****	$53,276.5##	55,488.9	47,515.4	+ 12.1
New capital expenditures	$ 1,863.3	2,002.1	1,579.0	+ 18.0
Machinery & equipment	na	na	1,336.0	--
APPAREL & OTHER TEXTILE PRODUCTS (SIC 23*)				
Number of companies	na	na	22,018	--
Number of establishments (plants)**	na	6,244#	24,391	--
Number with 20 or more employees	na	3,658#	10,907	--
All employees (thous.)	1,059.2	1,147.5	1,189.0	- 10.9
Production workers (thous.)	904.0	977.1	1,009.7	- 10.5
Payroll	$12,470.6	12,877.0	12,128.8	+ 2.8
Value added by manufacture***	$27,728.4	28,858.8	26,060.5	+ 6.4
Cost of materials	$29,130.2	29,200.6	27,087.8	+ 7.5
Value of industry shipments****	$56,993.1	57,578.3	53,387.9	+ 6.7
New capital expenditures	$ 697.1	742.2	654.3	+ 6.5
Machinery & equipment	na	na	497.7	--

(footnotes continued)

(r) revised
na not available
# The source for 1984 on the number of establishments is 1984 County Business Patterns, U.S. Bureau of the Census.
## A later Census Bureau report placed the 1986 value at $54,607 million compared with $53,275 million in 1985.

* Industry definitions (Standard Industrial Classifications (1972), Office of Management and Budget):

CELLULOSIC MAN-MADE FIBERS (SIC 2823) and ORGANIC FIBERS, NONCELLULOSIC (SIC 2824) are each a part of the Chemical & Allied Products Industry (SIC 28). Industry figures for textile glass fibers are not separately reported, but are included in data on pressed and blown glass and glassware. Manufacturers of cellulosic fibers often produce noncellulosics as a secondary product, but the reverse is not a general practice.

TEXTILE MILL PRODUCTS INDUSTRY (SIC 22): Includes mills engaged in any of the following operations: preparation of fiber and manufacture of yarn, thread, braids, twine, cordage; manufacture of knit and woven fabrics and of carpets and rugs from yarn; dyeing and finishing operations; coating, waterproofing, special fabric treatments; the integrated manufacture of knit apparel and other finished articles from yarn; the manufacture of felt goods, lace, non-woven fabrics and miscellaneous textiles.

APPAREL & OTHER TEXTILE PRODUCTS (SIC 23)--the cutting-up and needle trades: Includes plants producing clothing and other fabricated products by cutting and sewing purchased woven or knit textile fabrics and related materials (leather, plastics, fur, etc.). Besides apparel, the industry includes manufacturers of household textiles, canvas products and other fabricated textiles. Non-apparel products accounted for $5,799 million in industry shipments in 1982. Note that knitwear made in knitting mills, rather than cut and sewed, is classified in SIC 22. Also note: the apparel industry classification does not include gloves, handbags, jewelry or other accessories such as eyewear.

** Covers manufacturing establishments only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative officers, purchasing offices, sales promotion offices, etc.).

*** The value added by manufacture is derived by subtracting the cost of materials, supplies, energy, and contract work from the value of shipments of products manufactured plus receipts for services rendered. The result of this calculation is adjusted upward for the addition of value added by merchandising operations. Inventory value adjustments are also made.

Value added avoids the duplication in the value of shipments figure which results from the use of products of some plants as materials by others. It is, therefore, the best value measure available for comparing the relative economic importance of manufacturing among industries and geographic areas.

(footnotes continued)

GENERAL INDUSTRY STATISTICS

**** The value of industry shipments covers received or receivable net selling values, f.o.b. plant after discounts and allowances, and excluding freight charges and excise taxes. Included are receipts from products made from materials owned by the plant as well as receipts for contract work, products bought and resold without further processing, and miscellaneous services. It includes both primary products (which determine the plant's SIC classification) and secondary products. The value of a specific product category, including output of primary and of secondary producers, is covered in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census; 1982 Census of Manufactures; 1984, 1985 Annual Survey of Manufactures M85(AS)-1.

The complete census is the basic source of information on manufacturers within the major industry classifications. The latest census, as noted, covered the year 1982 and it is the best available source for company counts. Some other measurements of industry activity are, however, updated in the annual surveys of manufactures (i.e. value added by manufacture; value of shipments, for example), and in the annual County Business Pattern reports.

The following table draws on the latest reports, with earlier year comparisons, for selected important measures of activity among manufacturers classified in the textile/apparel complex.

Industry Profile

Selected Industry Group Statistics: 1977, 1982, 1984, 1985
(Dollar figures in millions)

	No. of Companies		No of. Plants/Mills		Value Added By Manufacture		Value of Shipments	
	1982	1977	1984	1982	1985	1982	1985	1982
Fiber/textile/apparel industries	*	*	29,282	31,109	$52,662	$51,357	*	*
Man-made fibers, industry	*	*	90	88	4,241	3,747	$10,432	$9,503
Cellulosic manmade fibers	14	20	18	18	390	429	1,148	1,240
Organic fibers, noncellulosic	44	37	72	70	3,851	3,318	9,284	8,263
Textile mill products industry	5,376	5,733	6,244	6,630	20,693	18,550	53,276	47,515
Weaving mills (broad woven fabrics)	666	631	846	923	5,770	5,475	13,359	12,926
Cotton	209	211	247	269	1,767	1,638	4,025	3,972
Manmade fiber, silk	342	267	483	523	3,542	3,489	8,402	8,191
Wool, incl. finishing mills	115	153	116	131	461	349	932	763
Narrow fabric mills	241	291	270	281	550	465	962	852
Knitting mills	na	2,318	2,143	2,334	5,244	4,985	11,783	10,986
Women's hosiery, except socks	180	176	176	206	914	777	1,568	1,411
Hosiery, n.e.c.	376	382	393	420	698	617	1,551	1,443
Knit outerwear mills	896	903	833	923	1,675	1,705	3,604	3,182
Knit underwear mills	72	80	75	84	492	446	1,136	830
Circular knit fabric mills	384	462	352	422	745	850	2,174	2,539
Warp knit fabric mills	61	213	177	207	658	534	1,624	1,466
Knitting mills, n.e.c.	71	191	61	72	62	55	124	115

(continued)

GENERAL INDUSTRY STATISTICS

Industry Profile

Selected Industry Group Statistics: 1977, 1982, 1984, 1985
(Dollar figures in millions)

	No. of Companies		No of. Plants/Mills		Value Added By Manufacture		Value of Shipments	
	1982	1977	1984	1982	1985	1982	1985	1982
Textile finishing, except wool	na	602	685	753	1,758	1,590	5,601	4,972
Finishing plants: cotton	266	194	236	275	251	256	846	754
Finishing plants: manmade fiber	265	248	266	296	1,130	999	3,788	3,186
Finishing plants: n.e.c.	177	176	181	182	377	335	967	1,032
Floor covering mills	na	533	467	505	2,276	1,712	8,060	5,808
Woven	59	71	54	60	173	83	364	218
Tufted	323	397	326	366	2,021	1,585	7,505	7,505
Other	79	72	74	79	na	44	na	150
Yarn & thread mills	na	529	670	714	2,749	2,318	8,019	7,036
Yarn mills, except wool	206	274	352	377	1,794	1,508	4,853	4,328
Throwing & winding mills	160	170	167	189	629	527	2,340	1,945
Wool yarn mills	71	71	73	73	81	68	234	185
Thread mills	60	58	71	75	245	215	591	579
Miscellaneous textiles	na	1,150	1,055	1,120	2,346	2,004	5,491	4,935
Felt goods (except woven felts, hats)	40	37	43	45	241	150	365	250
Lace goods	63	68	65	65	54	46	81	72
Paddings, upholstery filling	86	113	87	93	171	129	356	284
Processed textile waste	97	95	98	102	97	98	306	297
Coated fabrics	188	175	194	198	465	435	1,228	1,115
Tire cord & fabric	12	8	18	21	343	290	1,064	982
Nonwoven fabrics	114	81	123	132		544		1,279
Cordage & twine	164	151	169	181	212	181	394	359
Other textile goods	283	432	223	283	123	130	269	298
Apparel & other textile products, total	22,018	23,754	22,948	24,391	27,728	26,060	56,993	53,388
Nonapparel textile products	na	6,444	6,260	6,611	5,641	4,498	13,351	10,281

* not additive
na not available
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census: 1977, 1982 Census of Manufactures; 1985 Annual of Survey of Manufactures; 1984 County Business Patterns.

Information on specified components of the apparel and other textile products industry for 1984 and 1985 are outlined below. Excluding fabricated nonapparel classifications, the value of apparel industry shipments in 1985 amounted to $43.6 billion. This was 2.2% below the 1984 total reported at $44.6 billion. (Details on specific apparel industry classifications are covered in other specialized apparel Fact Files.)

Industry Profile (continued)

Specified Apparel & Textile Product Plants & Value of Industry Shipments: 1984, 1985

	Plants/Mills: 1984		Industry Shipments* (millions of $)		
	Total Number	With 100 or More Employees	1985	1984	% Change 1985/84
Apparel & other textile products**	22,948	3,148	$56,993.1	$57,578.3	- 1.0%
Men's & boys':					
Suits, coats	433	171	3,321.0	3,208.8	+ 3.5
Furnishings, other clothing	2,279	963	13,569.5	13,803.6	- 1.7
Women's & misses':					
Outerwear	8,150	967	17,488.5	18,052.7	- 3.1
Women's & children's:					
Underwear, foundations, etc.	683	262	3,490.4	3,638.2	- 4.1
Hats, caps, millinery	403	49	595.1	611.1	- 2.6
Children's outerwear	847	211	2,740.9	2,694.7	+ 1.7
Fur goods	466	--	383.7	398.1	- 3.6
Miscellaneous apparel & accessories	1,082	123	2,053.4	2,202.5	- 6.8
Miscellaneous fabricated textile products (home textiles, etc.)	6,260	389	13,350.6	12,968.7	+ 2.9

* Includes both primary and secondary products made within the industry as well as miscellaneous receipts for contract work, etc. The value of shipments of specific products by all producers, regardless of their industry classification is covered in the secton on PRODUCT SHIPMENTS

**Includes products not separately listed.

Source: U.S. Bureau of the Census: 1984, 1985 Annual Survey of Manufactures, Statistics for Industry Groups and Industries (M85(AS)-1); 1984 County Business Patterns, U.S. (CBP 84-1).

New Capital Expenditures/Productivity/New Technologies

Restructuring, consolidation and modernization have resulted in productivity increases by generating increased output from fewer plants and fewer employees. Productivity growth in the textile mill industry is the highest of all U.S. manufacturing industries. In the 1975-1985 period, the textile industry averaged a 5.6% growth rate in productivity vs. 2.4% for all manufacturing. The rate in the apparel industry was 2.7%.

U.S. textile industry productivity surpasses productivity per employee among the major industrialized nations of the world, according to a 1985 European Economic Community study, due to the modernization and automation of production. Producers who have updated production processes have been able to save floor space, as some new machines are more compact, and some allow older production processes to be eliminated. Smaller firms, however, face difficulties in making a transition from a highly labor-intensive to a highly capital-intensive production process; and many have not been able to survive.

New Capital Expenditures/Productivity/New Technologies (continued)

New Capital Expenditures & Productivity

Year	Textile Mill Products New Capital Expenditures (millions of $)	Productivity Indexes (1977=100) Textile Mill Products	Apparel Products
1975	$ 860	82.1	95.8
1980	1,540	110.2	112.6
1981	1,660	113.0	114.4
1982*	1,460	122.8	117.9
1983	1,550	129.5	118.0
1984	1,920	129.5	121.4
1985	1,780	129.1	121.0
1986(e)	1,790	na	na

* In 1982, according to the Census Bureau, the fiber/textile/apparel complex spent a total of $4.4 billion for new machinery and equipment. Most of this--an estimated 52%--went to foreign suppliers.

(e) estimated

Source: Special Report, Congressional Office of Technology Assessment: The U.S. Textile & Apparel Industry (September 1987).

According to Goldman, Sachs & Co., New York, many new major capital programs have been announced this year by textile companies; and capital spending by the five largest public textile firms should rise about 40 percent.

New textile machinery has the potential to both increase production speeds and improve quality. These are dominant factors in competition among U.S. producers but not necessarily for global competition, since exchange rates, labor costs, and non-economic barriers are so significant. The same advanced technology is available to firms throughout the world (little of it was developed by U.S.-based enterprises), including nations that pay workers a small fraction of the U.S. minimum wage.

Sophisticated networks of U.S. and foreign companies use these factors to undercut U.S. supplier prices; apparel imports have grown from 25 to 50% of the U.S. market in the past 10 years. Technology alone may not be able to salvage major parts of the industry. Productivity advantages over competitors can only be achieved through constant upgrading of machinery, and capital cycles are short--5 years for spinning machinery, for example, necessitating large commitments for new capital improvements; and with the weaker dollar, costs are going up. Because of the devalued dollar, equipment from Italy was reported to be 41% more expensive at the end of 1986 than in 1984; machinery from West Germany was 31% more expensive (DNR May 6, 1987).

New Capital Expenditures/Productivity/New Technologies

New production technology must be combined with new communication and information processing technology in a concerted effort by major textile/apparel manufacturers in the U.S. to contend with foreign competition, leading to the Quick Response program. The key to success of this program is holding inventories low and avoiding stockpiling, while still ensuring that retailers can stock what customers want when they want it. Revolutionary changes are required in how the components of the fiber-textile-apparel-retail mesh their needs and in the flow of information.

For textile mills, it means adopting the technology for short runs, speeding production through computerized designing equipment, faster handling of all facets of cutting and shipping. For apparel manufacturers, it means the adoption of computer assisted design and automatic cutting and sewing techniques, robotic handling, plus stringent floor controls and close linkage with retailers. For their part, retailers must have electronic data interchange from point-of-sale to vendor, point of sale bar-coding and sorting systems. Merchandise control systems, pre-marking by vendors and pre-distribution by vendors are also involved.

A study by DuPont released in January 1987 indicated that, overall, U.S. apparel producers must find a way to shave between 10 and 35% of their costs in order to compete directly with many foreign suppliers. The size of the gap depends on type of fabric used and the percent of the wholesale cost due to labor. Producers in the Far East have the greatest advantage using relatively labor-intensive fabric (topweights), because foreign topweight fabrics may cost 35% less than the equivalent domestic fabrics, while fabric costs may be only 15% lower for the less labor-intensive.

Industry Location

Between 1977 and 1982, the number of textile plants and firms in the U.S. declined 10%. From 1983 through mid-1985, nearly 1 million spindles and 15,500 looms were eliminated. The geographic impact of these disinvestments was dramatic--more than 85% of the spindles were eliminated in three states: South Carolina, North Carolina, Georgia. More than 95% of all looms were shut down in these states (63% in South Carolina, alone).

A February 1985 survey by the American Textile Manufacturers Institute of its own membership estimated that 44 plants had closed in 1981, 100 in 1982, 49 in 1983, 38 in 1984. However, as indicated in the foregoing section, while disinvestment has been underway, substantial new investments in paint and equipment have been made by many companies. To meet the needs of a growing global market, the textile industry is changing from one of small firms to large integrated operations, with more emphasis on the transfer of products from one division of subsidiary of the company to another to eliminate price competition.

The traditional segmentation of the textile industry into individual production processes, separate geographic regions, and/or single technologies is breaking down.

Industry Location (continued)

Permanent Plant Closings in the U.S. Textile Industry, 1983-June 1985

States	No. of Spindles Eliminated	No. of Looms Shut Down
Georgia	175,012	2,602
North Carolina	266,956	2,188
South Carolina	390,564	9,750
Alabama	56,816	--
Virginia	77,060	499
Connecticut	2,100	--
Texas	--	--
California	5,280	--
Massachusetts	3,120	--
Total	976,908	15,489

Source: ATMI.

Ten states accounted for 85% of the total value added by manufacture in the textile mill products industry in 1984, according to the Census Bureau. As noted, this value is the best measure of the contribution made within the industry's manufacturing process, excluding the cost of materials, etc.

North Carolina was the leading state in value added, accounting for 26.4% of the industry total, followed by Georgia, with a 15.7% share. Of total value of shipments, North Carolina accounted for 27.2%; Georgia, 19.6%.

The apparel industry, composed of a larger number of small operations and with twice as many employees as in the textile mill products industry, is less concentrated on a state basis. The 10 states leading in value added by manufacture in 1984 accounted for 64.2% of the industry total. The largest producer, New York, accounted for 16.3% of total value added by manufacture within the apparel and other textile products industry; the second largest contributor, California has a 10.1% share. Of total value of industry shipments in 1984, New York's share was 19.5%; California's, 9.8%.

Leading States in the Textile/Apparel Industries: 1984
(Based on the Value Added By Manufacture)
(Employment in thousands; dollar figures in millions)

Industry	No. of Employees	Value Added By Manufacture	Value of Shipments
Textile mill products			
North Carolina	213.1	$ 5,834.3	$15,121.6
Georgia	97.6	3,467.3	10,858.7
South Carolina	105.4	3,192.7	8,034.6
Virginia	38.3	1,334.4	3,257.2
Pennsylvania	37.5	1,107.3	2,407.8
Alabama	33.1	1,061.9	1,566.5
New York	30.1	864.8	1,868.8
Tennessee	23.2	699.7	1,597.7
Massachusetts	19.4	684.8	1,484.2
New Jersey	15.5	518.5	1,070.6

(continued)

Industry Location (continued)

Leading States in the Textile/Apparel Industries: 1984
(Based on the Value Added By Manufacture)
(Employment in thousands; dollar figures in millions)

Industry	No. of Employees	Value Added By Manufacture	Value of Shipments
10-State total	613.2	18,765.7	47,267.7
Industry total	710.5	22,110.4	55,488.9
10-State share	86.3%	84.9%	85.2%
Apparel & other textile products			
New York	146.8	4,696.8	11,257.9
California	101.3	2,903.2	5,629.8
Georgia	78.9	1,882.4	3,771.0
Texas	58.0	1,559.8	2,998.9
North Carolina	80.4	1,539.2	3,323.3
New Jersey	51.8	1,369.2	2,742.9
Tennessee	62.8	1,335.8	2,376.3
Michigan	20.4	1,198.7	2,363.5
Alabama	57.1	1,114.2	2,221.6
Massachusetts	37.8	888.5	1,806.6
10-State total	695.3	18,515.8	38,491.8
Industry total	1,152.4	28,858.8	57,578.3
10-State share	60.3%	64.2%	66.9%

Source: U.S. Bureau of the Census: 1984 Annual Survey of Manufactures, Geographic Area Statistics (M84(AS)-6).

Employment & Earnings

Long-term trends in the U.S. textile/apparel complex are evident in statistics on employment and payrolls compiled by the Census Bureau through 1985.

Employment & Payrolls in Operating Textile & Apparel Manufacturing Plants, Selected Years: 1958-1985
(Employment in thousands; payroll in millions)

Year	Textile Mills Products Ind.		Apparel & Other Textile Products Industry	
	Employees	Payroll	Employees	Payroll
1985	658.4	$ 9,967.1	1,059.2	$12,470.6
1984	709.5	10,191.6	1,147.5	12,877.0
1983	723.3	10,060.5	1,181.7	12,791.6
1982	717.4	9,046.1	1,189.2	12,128.8
1981	785.2	9,574.0	1,251.1	11,804.6
1980	816.1	9,228.1	1,307.3	11,354.3
1979	842.1	8,823.5	1,306.2	10,624.2
1978	861.8	8,367.9	1,321.8	10,190.8
1972	952.6	6,051.0	1,368.3	7,212.0
1963	863.2	3,385.0	1,279.5	4,423.0
1958	903.2	2,942.9	1,181.0	3,586.6

Source: U.S. Bureau of the Census.

Employment & Earnings (continued)

In the textile mill industry, employment dropped from a high of 952.6 thousand employees in 1972 to 658.4 thousand in 1985, representing a decline of 31%, or 294.2 thousand, according to the Census Bureau. The 1985 total was 7.2% below 1984; however, current Bureau of Labor Statistics reports indicate a pickup in employment in this industry in 1986 and early 1987.

Intense competition from imports in recent years has changed the structural makeup of the textile industry as well as resulted in new methods of production; and this has brought about the drop in employment. The closing of plants, a series of major corporate mergers and acquisitions, and the installation of sophisticated new machinery and equipment are the steps taken by the industry to meet competition from overseas and to meet the requirements of the market. The result has been a reduced number of companies, employing fewer workers but producing a greater volume of higher quality products.

In the apparel and other textile products industry, which is more labor intense than textiles, employment in 1985 was reported at 1,059.2 thousand by the Census Bureau. This represented a decline of almost 23%, or 309.1 thousand workers, from the high of 1,368.3 thousand reported by the Bureau for 1972. The 1985 level was 7.7% lower than in 1984, but preliminary figures for 1986 indicate a drop of less than 1% in the employment total compared with 1985. This compares with the 3.1% annual rate of decline during the 1980-85 period.

The Congressional Office of Technology Assessment study of the textile/apparel industry, released in April 1987, reviewed the industries' losing battle against imports, but emphasized that, despite problems, they remain a critical factor inside many regional economies. It predicted that future textile and apparel jobs would include fewer low-paid, entry-level positions, and more highly trained operators and technicians. The nature of textile firms and the jobs involved, according to this report, will change dramatically.

On a current basis, monthly and annual employment and earnings statistics are compiled by the Bureau of Labor Statistics (BLS), U.S. Department of Labor. Since the methods of compilation differ, the BLS figures on employment do not exactly match Census Bureau reports, though trends are the same.

Preliminary information from the BLS for the month of May 1987 indicates a gain in employment in both the textile and apparel/related products industries. In textiles, the seasonally unadjusted total for May this year was 724.4 thousand employees--up 24,300 compared with May 1986. In apparel and other textile products, May 1987 employment (unadjusted) was reported at 1,112.5 thousand, which was 3,500 above the year-ago level.

Textile Industry Employment

Production worker employment in the textile industry as a whole rose 1% in 1986 compared with 1985, reviving somewhat from the sharp drop noted in 1985. Average weekly hours rose from 39.7 to 41.2; hourly earnings went from an average of $6.71 to $6.95.

Not all segments of the textile industry shared in last year's gain in production worker employment, however. Sparked by the tremendous demand for sweaters, and other knit tops, knitting mills and yarn/thread mills registered gains, as did floor covering mills which benefited from an increase in residential and commercial construction. Weaving mill employment was down compared with 1986, and quite sharply below 1984 levels, as was employment in organic fiber mills. (Reasons for these declines have been discussed in the previous sections.)

Textile Industry Employment (continued)

Production Worker Employment in Fiber/Textile Mills: 1984-1986
(Annual average numbers in thousands)

	1986	1985	1984	% Change 1986/1984
Fibers, organic, noncellulosic*	44.5	46.6	54.3	- 18.0%
Textile mill products industry	613.3	607.6	642.1	- 4.5
Industry components:				
Weaving mills, cotton	90.1	94.5	113.4	- 20.5
Weaving mills, manmade fibers	79.6	81.7	84.9	- 6.2
Weaving/finishing mills, wool	13.9	14.3	14.3	- 2.8
Narrow fabric mills	18.2	18.3	19.3	- 5.7
Knitting mills (incl. hosiery)	178.5	171.9	174.9	+ 2.1
Textile finishing, exc. wool	48.8	48.7	53.7	- 9.1
Floor covering mills	48.2	44.9	36.9	+ 30.6
Yarn & thread mills	93.1	89.8	98.3	- 5.3
Miscellaneous textile goods	42.9	43.4	45.3	- 5.3

* Employment in the manufacture of cellulosic fibers is not reported.

Source: Bureau of Labor Statistics, U.S. Department of Labor.

Women accounted for about 47% of overall employment in the textile industry in 1986. In knitting mills, however, they represented over 68% of the total. Average weekly hours in the entire industry were reported by the BLS as follows in recent years: 1986, 41.2; 1985, 39.7; 1984, 39.9; 1983, 40.4. Hourly earnings averaged $6.95 in 1986; $6.71 in 1985; $6.18 in 1983.

Employment gains last year compared with 1985, but levels still considerably below the 1984 averages, are noted in reports covering the leading states in this industry.

Textile Industry Employment in Leading States: 1984-1986
(Annual average numbers in thousands)

Year	Georgia	North Carolina	South Carolina
1986	102.0	208.2	104.6
1985	100.8	206.1	102.2
1984	105.7	220.0	114.4

Source: American Textile Manufacturers Institute, Inc.

In noncellulosic fiber producing plants, production workers' weekly hours averaged 41.8 in 1986, down from 42.2 in 1985, even with 1984. Comparable period average hourly earnings were $11.73, $11.37 and $10.72, respectively, according to the BLS.

A special study of wages of production and related workers in the South in manmade fiber manufacturing plants--representing 95% of all workers in this segment of the textile industry--was compiled by the BLS in September 1985. Earnings of the 42,292 workers included in the study averaged $10.03 an hour (the industry average for production workers in the noncellulosic fiber industry in 1986 was reported at $11.73 by the BLS).

GENERAL INDUSTRY STATISTICS

Employment & Earnings: Textile Industry

Number & Average Hourly Earnings of Production Workers in Man-made Fiber Manufacturing By Principal Product, Southern Region: September 1985
(Employment in thousands)

	Total		Cellulosic Fibers		Noncellulosic Fibers	
	Workers	Earnings	Workers	Earnings	Workers	Earnings
All production workers	42.3	$10.03	6.3	$7.91	35.9	$10.41

Source: U.S. Department of Labor: Monthly Labor Review (February 1987).

In June 1985 the BLS made a survey of straight-time earnings of production workers in yarn and broadwoven fabric mills--cotton and manmade fibers, woolen and worsted--which showed a variation by location, union status, type of mill and type of fiber processed.

Number & Average Hourly Earnings of Production Workers in Yarn & Broadwoven Textile Mills, By Selected Characteristics, U.S. & Southeast: June 1985
(Employment in thousands)

	United States, total				Southeast*			
	Cotton & Manmade Mills		Wool Yarn & Broadwoven Mills		Cotton & Manmade Mills		Wool Yarn & Broadwoven Mills	
	Workers	Earnings	Wkrs.	Earnings	Wkrs.	Earnings	Wkrs.	Earnings
All production workers	199.7	$6.35	11.0	$6.37	183.8	$6.34	5.1	$ 6.57
Type of area:								
Metropolitan	81.8	6.34	4.8	6.30	67.8	6.31	0.6	5.96
Nonmetropolitan	117.9	6.36	6.2	6.42	115.9	6.37	4.5	6.65
Type of mill:								
Yarn or thread mill	83.3	6.00	1.4	5.60	77.9	6.01	0.6	6.00
Weaving mills	17.7	6.55	1.6	6.59	15.5	6.55	1.0	7.09
Integrated mills	98.7	6.61	8.0	6.46	90.3	6.59	—	—
Labor-management contract coverage:								
Mills with--								
Majority of workers covered	24.8	6.73	2.1	6.93	20.6	6.70	--	--
None or minority of workers covered	174.9	6.30	8.9	6.24	163.1	6.30	4.7	6.48

*The Southeast region includes Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia.

Source: U.S. Department of Labor: Monthly Labor Review (February 1987).

Employment & Earnings: Comparative Labor Costs

A study of textile labor cost comparisons conducted by Werner International Management Consultants (Brussels) showed that U.S. labor costs ranked as the ninth highest out of 53 producer countries studied during the winter of 1985-86--down from fifth highest in 1984.

Employment & Earnings: Comparative Labor Costs (continued)

Costs per hour for U.S. fabric and yarn production average $8.66, up from $6.37 in 1980. Highest labor costs were reported for Norway (averaging $11.06), followed by Switzerland ($10.84), Belgium ($10.08), and Denmark ($10.84). The lowest cost producer was Uganda (5 cents), followed by China (20 cents), Indonesia (23 cents), and Ethiopia (27 cents).

Exchange rate variations have had a substantial impact on hourly labor cost comparisons in recent years, according to Werner. In 1980, when the U.S. dollar was at a low point compared with most other major currencies, American labor costs ranked 11th highest compared with the countries surveyed, versus fifth in 1984 when the dollar was particularly strong.

However, the impact is really limited to the textile trade between the U.S. and the high-wage countries of the common market and Japan, according to Werner. For the low-wage countries with a substantial textile trade, such as Hong Kong, Taiwan, South Korea, Brazil, India, Pakistan and China, the exchange rate variations have limited impact. For example, the cost of producing yarn or fabric in Taiwan in 1980 when the dollar was low averaged 20% of U.S. costs compared with 18% in the winter of 1985 and 1986 with the dollar strong.

With the modernization of plants, the impact of hourly labor costs on the bottom line is diminishing, according to the Werner study. Today it is possible in modern plants in the U.S. and Europe to limit the labor costs to between 8 and 20% of sales, depending on end products.

Employment & Earnings: Apparel & Other Textile Products

Production worker employment in apparel manufacturing in 1986 dropped by about 7,200 workers compared with the 1985 average, and 1986 was 6.8% below the 1984 average. Plants manufacturing home textiles and other fabricated textiles, however, registered a gain in production worker employment levels compared with 1985, and the level was up 13.5% compared with 1984.

Weekly hours for the apparel and other textile products industry were up slightly in 1986, from 36.4 in 1985 to 36.7; average hourly earnings rose from $5.73 to $5.81. Over three-quarters (77.1%) of the workers in apparel plants were women; in plants making home textiles and other textile products, women represented 63.2% of the workers.

Production Worker Employment in Apparel & Other Textile Product Plants: 1984-1986

(Annual average numbers in thousands)

	1986	1985	1984	% Change 1986/84
Apparel & other textile products	941.2	948.3	981.2	- 4.1%
Apparel	790.2	798.0	848.2	- 6.8
Selected industry components;				
Men's & boys' suits & coats	52.2	55.6	65.7	- 20.5
Men's & boys' furnishings	274.1	272.1	273.7	+ 0.1
Women's outerwear	297.0	302.6	328.9	- 9.7
Children's outerwear	53.5	51.5	52.0	+ 2.9
Women's, children's innerwear	63.5	64.5	70.7	- 10.2
Misc. apparel, accessories	35.3	36.4	41.1	- 14.1
Misc. textile products (home textiles, automotive & apparel trimmings)	151.0	150.3	133.0	+ 13.5

Source: Bureau of Labor Statistics.

Employment & Earnings: Apparel & Other Textile Products (continued)

Apparel manufacturing is very labor-intensive, with production workers constituting 85% of the work force compared with 68% in all manufacturing plants. Hourly earnings of production workers in apparel averages $5.81 compared with an overall average of $9.73 for all U.S. manufacturing industries in 1986. The average hourly rate in 1985 was $5.73.

A new federal immigration law becomes effective June 1, 1987. It may bring sharply higher labor costs to the U.S. apparel industry which has traditional reliance on low-skilled, low-wage immigrant labor. Many workers, particularly undocumented illegals, are reported to have average earnings below the minimum wage. In addition to the law affecting the hiring of immigrants, labor costs may be affected by a proposed change in the minimum wage (currently $3.35 an hour). Congressional hearings are underway to raise the minimum to $4.65 in three stages by year 1991.

Apparel manufacturers to an increasing extent have been relying on jobbers and contractors, which allows them to readily expand and contract output. This has led to the growth of "underground" apparel operations which, according to some calculations, comprise up to 35% of garment production in unregulated shops and illegal operations. The U.S. however, still averages far above the wage rates paid by competing foreign apparel suppliers.

Based on exchange rates in July 1986, the joint council of the textile/apparel industry in Germany, Gesamttextile in Frankfort, did a study of hourly labor costs among industrialized countries. The top position went to Switzerland, with an hourly rate averaging $12.04; the U.S. ranked 8th, with a rate of $9.40. This compares with Hong Kong's $1.82. (Information on a Werner International study covering textiles, alone, has been covered in the textile employment section.)

Manufacturers of apparel, particularly women's and children's, have historically been highly concentrated in the New York City garment area, but the city has lost ground to competition from other areas, including Los Angeles, Dallas and Atlanta, as well as being diminished because of competition from imports. In September 1986, according to the New York State Department of Labor, total New York City employment in the apparel and other textile products industry numbered 111,300. This compares with 132,800 counted in September 1982--a decline of 16.2%.

However, according to the International Ladies Garment Workers Union (ILGWU), about half of all apparel wholesale trade in the U.S. takes place in the New York Garment Center. A two-year study just completed (WWD, March 24, 1987) on the garment district found more than 5,000 apparel firms employing more than 61,000 workers in the center, often referred to as SA (Seventh Avenue). In addition, there were nearly 20,000 garment workers in New York's Chinatown and another 40,000 to 50,000 in other boroughs of New York.

New York City's employment in the apparel and other textile products industry in September 1986 represented almost 28% of all manufacturing employment in the City. In September 1982, apparel and other textile products manufacturing represented 28.7% of the city's manufacturing employment. There hasn't been much change in the share since all manufacturing activity in the city has waned.

Employment & Earnings: Apparel & Other Textile Products (continued)

The Mid-Atlantic Regional Office of the BLS has issued a report (March 1987) based on an analysis of the elimination of jobs in New York City from June 1977 to June 1986. Of the top nine job-losing sectors in manufacturing, seven were in apparel and textile. Women's outerwear makers topped the list with the elimination of 15,300 jobs, bringing the total to 60,300. In second place, was men's and boys' tailored clothing manufacturing jobs, down from 10,800 to 3,400. Miscellaneous fabricated textiles placed third, declining from 20,800 employees to 13,500.

Employment in the women's and children's undergarment sector in New York fell from 10,800 to 4,900; children's outerwear makers cut employment from 9,600 to 4,100. Knitting mills reduced employment from 20,500 to 15,400. Of the top nine job-losing sectors in manufacturing, seven were in textiles/apparel.

Some apparel makers have looked to the South to open plants in areas with lower labor costs, particularly South Carolina, while some cities in the North are making last-ditch efforts to maintain apparel manufacturing jobs, including Chicago--a city where these jobs now total about 15,000 compared with a total of 40,000 shortly after World War II.

Employment Size of Mills/Plants

In 1984, according to the *County Business Pattern* report issued by the Census Bureau, over 40% of the employees in the textile mill products industry were in mills with 500 or more employees (5% of all mills). Almost 85% of employees were in the 1,685 mills (27% of the total) with 100 or more in total employment.

The apparel and other textile products industry has many more smaller plants, and a greater concentration of employment among those with less than 50 employees. However, plants with 100 to 499 employees (about 13% of the total plants) accounted for 49% of the industry employment in 1984; 247 plants (1.1% of the total) accounted for 16% of the total.

Employment-Size of Plants: 1984

		Employment Size Class			
	Total	Under 50	50-90	100-499	500 or More
Textile mill products industry:					
No. of mills	6,244	3,748	911	1,367	318
Employees	724,290	54,678	57,320	317,019	295,273
Annual payroll (million $)	$10,509.3	4593.0	799.4	798.9	4,318.0
Apparel & other textile products:					
No. of plants	22,948	17,128	2,672	2,901	247
Employees	1,192,578	223,244	185,888	590,075	193,371
Annual payroll (million $)	$13,427.4	2,635.0	1,941.5	6,176.7	2,674.1

Source: U.S. Bureau of the Census:
County Business Patterns, 1984.

GENERAL INDUSTRY STATISTICS

Ranking of the Textile/Apparel Industries Complex

To varying degrees, declines in production worker employment have been pervasive in U.S. industry. While the textile/apparel industrial complex has been in the forefront in this trend, it still ranks first among all U.S. manufacturing industries in terms of production worker employment.

In 1986, the complex averaged 1.6 million workers (44.5 thousand in manmade fiber plants, 613.3 thousand in textile mills, 941.2 thousand in apparel and other textile product plants). This compares with production worker counts in the second ranking industrial employer, electrical and electronic equipment, which had 1.2 million production workers in 1986.

In ranking of manufacturing industries based on dollar volume, the best criteria is the value added by manufacture. This avoids the duplication in the value of shipments figure which results from the inclusion of the shipments of plants producing materials and components along with the · shipments of plants producing finished products. It is considered the best value measure available in census data for comparing the relative economic importance of an industry or geographic area.

The combined fiber/textile/apparel complex ranked eighth among U.S. manufacturing industries based on value added by manufacture ($52.7 billion). Considered separately, the apparel and other textile products industry, with value added by manufacture at $27.7 billion in 1985, ranked in 12th place; the fiber/textile industry (which includes hosiery and knitwear) was thirteenth in rank.

Eliminating duplication in value from industry segment to segment, the total value of manufacturers' shipments of finished textile/apparel products (knit and woven) is estimated at over $75 billion in 1985.

Ranking of Major U.S. Manufacturing Industry Classifications Based on Value Added By Manufacture: 1985

Industry	Rank	Value Added By Manufacturer (millions of $)
Transportation equipment	1	$120,953.1
Machinery, except electrical	2	110,224.1
Electric & electronic equipment	3	109,861.5
Food & kindred products	4	104,146.0
Chemicals (excluding fibers)	5	95,251.5
Printing & publishing	6	73,054.3
Fabricated metal products	7	69,161.5
Fiber/Textile/apparel industry complex	8	52,662.9
Paper & allied products	9	40,387.2
Primary metals	10	38,081.9

Source: U.S. Bureau of the Census: 1985 Annual Survey of Manufactures.

Of the 5,376 companies classified in the textile mill products industry, in the most recent (1982) census of manufactures, 4,489 (83.5%) had just one mill or plant; 887 (16.5%) were multiunit companies, operationg 2,141 mills. the multi-mill companies accounted for 32.2% of the industry's 6,630 mills and a whopping 83.5% of the industry's total value of shipments and miscellaneous receipts, 81% of the value added by manufacture.

INDUSTRY CONCENTRATION

The apparel and other textile products industry shows a greater concentration of activity among single-unit, or onte-plant companies. These companies represented 93% of the 22,019 firms classified in the apparel and other textile products industry. Multi-plant companies, of which there were 1,546 in 1982 (7% of the total), operated 3,919 plants (16% of the 24,391 plant total); they accounted for 61.2% of the total value of industry shipments, 60.7% of the value added by manufacture within the industry.

Single-unit & Multi-unit Companies in the Textile/Apparel Complex: 1982

	Companies		Plants		Value Added By Manufacture		Value of Shipments	
Industry	No.	%	No.	%	Mil. $	%	Mil. $	%
Manmade fibers	58	100	88	100	$ 3,746.6	100	$ 9,502.6	100
Multiunit companies	34	59	64	73	3,731.4	99	9,459.2	99
Single-unit companies	24	41	24	27	15.3	1	43.4	1
Textile mill products	5,376	100	6,630	100	18,550.2	100	47,515.4	100
Multiunit companies	887	16	2,141	32	15,037.5	81	39,685.7	84
Single-unit companies	4,489	84	4,489	68	3,512.7	19	7,829.7	16
Apparel & other textile products	22,018	100	24,391	100	26,060.5	100	53,387.9	100
Multiunit companies	1,546	7	3,919	16	15,829.0	61	32,692.2	61
Single-unit companies	20,472	93	20,472	84	10,231.4	39	20,695.7	39

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, Type of Organization (MC82-S-5).

The concentrated value of industry shipments accounted for by the largest companies in specific segments of the textile/apparel complex is evident in a special 1982 census of manufactures analysis by the Census Bureau, highlights of which are covered in the following table. Revolutionary changes, involving restructuring, consolidations, mergers and acquisitions, have accelerated since 1982, and the current picture would undoubtedly show for many segments of the complex a greater concentration of business among fewer companies operating fewer mills or plants.

Share of Industry Shipments Accounted for by the Largest Companies: 1972, 1977, 1982

		Industry Shipments				
			Percent Accounted For By Largest Companies:			
	No. of Companies	Mil. $	Top 4	Top 8	Top 20	Top 50
Manmade fiber producers:						
Cellulosic:						
1982	5	$1,240	nr	100%	--	--
1977	5	1,003	nr	100	--	--
1972	12	589	96%	nr	100%	--
Organic: noncellulosic:						
1982	44	8,263	77	91	99	100%
1977	37	6,380	78	90	99	100
1972	12	3,639	74	91	100	100

(continued)

INDUSTRY CONCENTRATION

Share of Industry Shipments Accounted for by the Largest Companies 1972, 1977, 1982

(continued)

		Industry Shipments				
			Percent Accounted for by Largest Companies:			
	No. of Companies	Mil. $	Top 4	Top 8	Top 20	Top 50
Textile mill products, Major types						
Weaving mills						
Cotton						
1982	209	3,972	41	65	85	97
1977	211	4,431	39	58	79	95
1972	190	2,661	31	48	72	93
Manmade fiber/silk						
1982	342	8,191	40	53	69	85
1977	267	6,326	42	58	76	90
1972	256	3,857	39	54	72	88
Wool						
1982	115	763	45	59	85	97
1977	153	583	31	47	74	95
1972	178	450	38	49	70	90
Narrow fabrics mills						
1982	241	852	20	31	53	78
1977	291	683	17	28	48	73
1972	324	566	20	31	49	71
Hosiery						
Women's, except socks						
1982	180	1,411	58	66	81	95
1977	176	871	50	62	78	94
1972	256	985	35	49	69	87
Other hosiery						
1982	376	1,443	20	29	48	70
1977	382	921	20	30	46	66
1972	375	601	19	29	46	66
Knitting mills						
Outerwear						
1982	896	3,182	19	29	45	64
1977	903	2,336	17	27	46	63
1972	882	1,704	16	26	44	59
Underwear						
1982	72	830	46	65	90	99+
1977	80	649	42	59	85	99
1972	74	545	46	61	85	98
Knit fabrics						
Circular						
1982	384	2,539	22	36	55	75
1977	462	3,169	20	31	51	73
1972	629	2,809	23	31	49	69
Warp knit						
1982	186	1,466	33	50	71	89
1977	213	1,427	26	40	64	86
1972	174	988	27	46	72	91
Finishers: Manmade fabrics						
1982	265	3,186	nr	68	80	91
1977	248	2,404	60	70	80	91
1972	219	1,365	56	64	77	89

(continued)

Share of Industry Shipments Accounted for by the Largest Companies 1972, 1977, 1982

(continued)

		Industry Shipments				
			Percent Accounted for by Largest Companies:			
	No. of Companies	Mil. $	Top 4	Top 8	Top 20	Top 50
Textile mill products, major types: (continued)						
Yarn mills, except wool						
1982	206	$4,328	22	34	56	82
1977	274	3,865	19	31	51	75
1972	263	2,248	21	31	50	74
Apparel & other textile products, major types:*						
Men's & boys'						
Suits & coats						
1982	443	3,061	25	37	57	75
1977	619	2,768	21	32	48	67
1972	721	2,397	19	31	48	65
Shirts & nightwear						
1982	535	3,478	19	29	48	69
1977	669	2,935	17	28	48	65
1972	516	2,104	22	31	50	69
Women's & misses'						
Blouses, tops						
1982	1,824	3,884	8	14	27	44
1977	1,292	2,334	12	18	30	47
1972	890	1,225	18	26	38	55
Suits, coats						
1982	1,432	4,887	19	28	40	55
1977	1,558	2,913	15	20	31	45
1972	1,548	1,805	13	18	26	40
Dresses						
1982	5,489	4,623	6	10	17	28
1977	6,753	4,189	8	12	19	28
1972	5,295	3,580	9	13	18	28
Underwear, incl. children's						
1982	477	2,602	22	31	45	66
1977	548	1,781	22	29	43	64
1972	609	1,332	15	23	41	63

* Covers selected types of apparel and textile products. For additional details, see specific Fact Files covering types of apparel and of household textiles.

nr not reported.

Source: U.S. Bureau of the Census, Census of Manufactures, Concentration Ratios in Manufacturing (MC82-S-7).

OPERATING/FINANCIAL RESULTS

Natural Yarn Producers

Intense competition from manmade fibers has reduced profit margins for natural yarn producers, but global demands for cotton and wool, and rising prices in recent months will have an impact. The natural fiber sector of the textile industry consists of both large integrated corporations and small units that compete and trade with each other. Competition is particularly keen in the cotton yarn industry. Natural fiber products are in growing demand in U.S. markets for home textiles as well as apparel.

While there is little prospect of suppliers integrating forward, toward end-use markets, there is a prospect of backward integration by large fabric producers, since yarn costs are such a large part of their bottom-line. Large scale operations are in a better position to reduce raw material costs by purchasing large quantities; and vertically integrated companies have the added advantage in that the material can be translated to finished products without large inventory costs.

Smaller yarn producers, however, have greater flexibility in production and can find market niches quickly--an important asset in today's market. The outlook appears to be for a reduction in production overcapacity and more emphasis on specialized products.

Manmade Fiber Producers

Most manmade fiber producers have diverse businesses. The industry is controlled by large multinational chemical companies, with less than a third of their business done in manmade fibers; thus composite company data is not indicative of fiber performance.

Improved operating rates coupled with lower raw material and energy costs contributed to a pickup in earnings in 1986 among major fiber producers, and this continued in the first quarter of 1987. Fiber earnings at Monsanto, DuPont and Allied-Signal were boosted by strong demand for nylon carpet fibers. However, polyester fibers continued to be hurt by apparel imports, and this particularly affected earnings at DuPont, the number one polyester producer in the U.S., and Celanese, the second largest.

Nevertheless, in the first quarter of 1987, sales of the DuPont fibers division increased 9.4% compared with the same 1986 period and represented 18.1% of total company sales. Continued growth in specialty fibers, such as Lycra, Kevlar, Tyvec and Nomex is expected.

The consolidation of Celanese and American Hoechst Corp. was approved by the Federal Trade Commission (FTC) early in 1987, but a divestiture of substantial polyester fiber capacity within the next year was stipulated--meaning the divesting of either most of the Celanese polyester textile fiber business, or all of the American Hoechst polyester business.

Without divestiture, the merger would have created the nation's largest polyester producer, according to the FTC. Celanese's Fortrel polyester fiber accounted for $3 billion in sales in 1985; American Hoechst's Trevira polyester recorded sales of $1.7 billion.

In another development involving polyester, in March 1987, Eastman Chemical announced plans to drop out of polyester filament production and to reduce polyester staple capacity because of depressed prices. It will, however, have a new direct spinning staple fiber plant with 100 million pound capacity.

Manmade Fiber Producers (continued)

In general, overcapacity is a problem for the U.S. industry. Fiber markets are nearly saturated, depending largely on apparel. At the same time, changes are underway in international fiber production. The Far East is expanding output, and may exceed the production level of West Germany and indications are that this production will be a competitive factor in foreign markets; it is not just for internal needs. There is a growing import penetration of fibers, now, in the U.S. To meet this, some U.S. and European producers, such as DuPont, American Enka and Rhone Poulenc, are establishing production facilities in developing nations--following the route taken by many textile and apparel companies. Industry observers feel that U.S. producers will not be successful in competing with imports based on price, alone, while stressing high volume, standard fibers, but must concentrate on the development of specialized fibers and on service.

Major Companies Making Manmade Fibers
(Sales in millions)

	Fiber Sales: 1986			Apparel Fibers
Company	Millions of $	% of Sales	% of Income	% of Total Fiber Sales: 1986
DuPont	$4,800	18	30	40
Imperial Chemical Inds.	1,169	7	6	na
Courtaulds	1,066	30	34	na
Allied Signal	940	8	na	9
Monsanto	856	12	na	20

na not available

Source: Women's Wear Daily, June 9, 1987.

Textile Manufacturers

After a dismal 1985, textile companies recovered nicely in 1986, reflecting measures taken by the industry to rid itself of excess capacity through consolidations and closures of marginal facilities, the dropping of unprofitable lines, and the maximizing of benefits of sophisticated new technology. Strong market segments, particularly knits, lifted overall results. However, there were fewer companies, fewer employees sharing in the upturn.

Other factors that helped in 1986 included the new cotton price support program which gave U.S. mills access to cotton which was competitively priced (now, however, cotton prices are rising rapidly). A weaker dollar should help exporters this year, though imports continue to gain. Earnings for the survivors in the textile industry should improve, as well as for apparel companies, due to lower interest rates. However, the new tax law will not help the textile industry, with its capital requirements, as much as it might help apparel producers.

Textile Manufacturers (continued)

In general, company managements have shifted emphasis from shipments to profits. Through consolidations, companies have become more competitive, and some, such as West Point Pepperell, which acquired Cluett, Peabody & Co. early in 1986, are repositioning themselves to be international manufacturers and marketers of branded soft goods.

Textile mill corporations are included in quarterly surveys on financial results of U.S. companies compiled by the Economic Surveys Division, Bureau of the Census. Profits after income taxes registered a sharp gain of 67% reaching a record $2.0 billion in 1986. Profits per dollar of sales registered a quarterly average of 3.9%, up from 2.4% in 1985. The rate of net profit on total assets averaged 6.7% compared with 4.0%; while net profit on stockholders' equity average 14.4% last year, up from 8.6% in 1985.

These strong results are a reflection of the tremendous effort exerted in the textile industry to streamline production by restructuring operations and raising productivity through the elimination of slow moving products and obsolete facilities and the installation of new machinery and equipment. Mills with a concentration of business in floor coverings, other home textiles and industrial fabrics are generally doing better than apparel fabric producers who are most vulnerable to competition from imports.

Textile Industry Profit Data: 1979-1986
(Dollar figures in millions)

			Quarterly Average Annual Rate of Profits:		
	Net Sales	Net Profits	Per $ of Net Sales	On Total Assets	On Stockholders' Equity
1986	$51,174	$2,007	3.9	6.7	14.4
1985	50,470	1,200	2.4	4.0	8.6
1984	51,636	1,635	3.2	5.5	11.2
1983	47,993	1,599	3.3	6.1	12.0
1982	41,653	851	2.1	3.7	6.9
1981	48,292	1,157	2.4	4.7	9.4
1980	44,882	977	2.2	4.3	8.4
1979	41,737	1,340	3.2	6.2	11.9

Source: U.S. Department of Commerce, Bureau of the Census: Quarterly Financial Report.

Textile Manufacturers (continued)

Mergers and acquisitions in the textile industry have greatly shortened the list of publicly-held companies. Included in the companies acquired last year were Cluett, Peabody (acquired by West Point Pepperell in January); M. Lowenstein Corp. (acquired by Springs Industries in December 1985); Cannon Mills (Fieldcrest, January 1986).

An analysis of 1986 financial results for seven publicly-owned mills showed composite profits up a remarkable 293.5%. However, sales were up only 20.4%, mostly due to the inclusion of sales figures of newly-acquired subsidiaries. Because of the unusual conditions involving acquisitions last year, the growth due to replenishment of inventories, industry analysts do not expect 1987 earnings growth to be spectacular in the light of continued growth in imports (though the rate of import growth may be slowed to between 5 and 10% this year from last year's estimated 18%) as well as increased costs for materials and equipment.

Textile Company Sales & Profits: 1985, 1986
(Figures in thousands of dollars)

Company	Period Ending	Sales 1986	Sales 1985	% Change 1986/85	Profits 1986	Profits 1985	% Change 1986/85
Burlington Industries*	12/27	2,804,876	2,832,469	- 1.0	58,128	16,424	+253.9
West Point Pepperell	12/27	2,062,990	1,218,607	+69.3	66,173	32,361	+104.5
J.P. Stevens	11/1	1,671,871	1,698,284	- 1.6	53,687	(15,493)	--
Springs Industries	1/3	1,504,984	1,013,492	+48.5	32,575	13,271	+145.5
Fieldcrest Cannon	12/31	1,083,236	586,092	+84.8	17,389	13,062	+ 33.1
UM&M	12/31	755,115	843,761	-10.5	(31,929)	(20,477)	--
Guilford Mills	12/28	444,476	386,366	+15.0	19,846	15,714	+ 26.3
Totals		10,327,547	8,579,071	+20.4	215,869	54,862	+293.5

(Losses)

* Burlington is currently the target of a takeover attempt by Dominion Textiles, Inc. of Canada and corporate raider Asher B. Adelman. Burlington generates 60% of its assets from apparel fabrics.

Source: Daily News Record, February 19, 1987.

In a report on the textile/apparel industry issued in April 1987 by a Congressional office, it was stated that the top 12 publicly held U.S. textile mills produce about 26% of total dollar sales.

Not reported in published data for 1986 are the results of such significant textile producers as privately-held Milliken & Company (whose sales are estimated at $2.2 billion (Forbes, Nov. 17, 1986) and Collins & Aikman, with sales of over $1.0 billion (which has recently been acquired by the Wickes Companies Inc., Santa Monica, Calif.). Other major companies include Cone Mills (sales estimated at $700 million), Dan River ($400 million).

Apparel Manufacturers (continued)

Unlike the textile industry, there were few takeovers and LBO's in the apparel industry in 1986. More companies went public. However, companies such as Cluette, Claiborne, Kellwood, Oshkosh, Russell, Tultex, Jackey and VF, have sharpened their marketing focus, divested units that didn't fit strategies and concentrated marketing power.

The VF Corp. has become the world's largest publicly held apparel company with the acquisition of Blue Bell late in 1986. The company now has an annual sales rate of about $2.6 billion produced by 12 diversified divisions serving the jeanswear, sportswear, intimate apparel, workwear, and adventure markets. It has replaced Levi Strauss as the largest manufacturer of jeans for the U.S. market. Levi Strauss, which went private in 1985 is still the largest manufacturer of jeans worldwide, and had total sales estimated at $2.6 billion in 1986.

A star performer in the apparel industry has been Liz Claiborne. Sales of this company rose 46.2% in 1986 compared with 1985, and profits rose 42.3%.

Publicly-Held Companies in the Apparel Industry: 1985, 1986
(Figures in thousands of dollars)

Company	Period Ending	Sales 1986	Sales 1985	% Change 1986/85	Profits 1986	Profits 1985	% Change 1986/85
Interco*	11/30	2,545,290	2,508,580	+ 1.5	98,532	81,448	+21.0
VF Corp.**	1/3	1,544,574	1,481,182	+ 4.3	129,350	139,417	- 7.3
Hartmarx	11/30	1,063,011	1,109,537	- 4.2	24,775	42,660	-41.9
Liz Claiborne	12/27	813,497	556,553	+46.2	86,194	60,580	+42.3
Oxford	11/28	806,504	843,313	- 4.4	16,465	12,611	+30.6
Kellwood	1/31	542,584	495,447	+ 9.5	24,193	17,913	+35.1
Leslie Fay	12/31	573,401	475,399	+20.6	18,647	10,859	+71.7
Phillips-Van Heusen	2/1	514,387	550,428	- 6.5	20,101	15,935	+26.1
Palm Beach	1/3	394,238	419,065	- 5.9	(5,973)	5,279	--
Manhattan Industries	1/31	335,754	335,469	+ 0.1	(7,419)	(11,008)	--
Bernard Chaus	12/31	298,988	218,993	+36.5	19,828	5,607	+253.6
Farah	1/31	364,464	336,637	+ 8.3	1,412	9,656	-85.4
Russ Togs	1/31	274,332	276,815	- 0.9	13,819	10,986	+25.8
Bayley	1/31	188,936	163,080	+15.9	2,667	(907)	--
Munsingwear	1/31	147,851	114,247	+24.7	3,651	3,020	+20.9
Total	1/3	10,407,811	9,884,745	+ 5.3	446,242	404,056	+10.4

(Losses)
* Not including Blue Bell, acquired November 1986.
**A diversified company involved in retailing, furniture manufacturing, etc., as well as apparel manufacturing.

Source: Daily News Record, April 9, 1987.

Domestic apparel manufacturers in high fashion lines which undergo rapid change have been competing well with imports by offering shorter lead times and better quality control. The apparel industry is also contniuing its $13-million "Crafted with Price in the USA" (or "Buy American") campaign, which is considered to be a success.

Apparel Manufacturers (continued)

The Soft Goods Outlook For 1987, published by Kurt Salmon Associates (December 1986), looked for improved profitability in the apparel industry this year, even though sales may be flat. A factor in this outlook is the expectation that the new tax law will benefit the industry by lowering corporate tax rates. Inventories are expected to be in better control, and improvements are being made in marketing, sourcing and merchandising. The Crafted With Pride campaign, and the fact that U.S. retailers are increasing their sourcing at home--and may be doing this even more than anticipated by Kurt Salmon because of rapidly developing quota/delivery/pricing problems this year--are factors in the improved outlook for the apparel industry as of early 1987.

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Natural Fibers

Cotton/Cotton System

The situation in cotton has changed tremendously. A year ago U.S. producers were overwhelmed by artificially high, government-supported prices, lagging demand, overproduction and surplus stock. The export market has dwindled. Effective August 1, 1986, the Department of Agriculture reduced price supports to allow U.S. cotton to fall to the prevailing world level and remain competitive. At the same time, payments were made to the owners of 3.2 million bales of cotton to protect them from the sudden drop in the value of their holding and to prevent a disruption in the domestic textile market.

Cotton prices collapsed from nearly 50 cents a pound to 30 cents. Then a number of factors combined to completely change the position of U.S. cotton. Demand on the part of consumers for 100% cotton fabrics mushroomed worldwide, while bad weather sharply curtailed cotton production in China. U.S. mills stepped up use of the now less-expensive domestic cotton. According to the National Cotton Council, consumption is expected to rise from 6.4 million bales to 7 million this growing year which ends in July. U.S. cotton exports, which totaled just under 2 million bales last season, are projected to climb to 6.75 million this season. Stocks of cotton which were enormous--8.35 million bales at the start of the 1986-1987 season--have been whittled down to 5.4 million, according to the USDA. World production is expected to decline 12% while global consumption rises for the sixth year in a row. As of May, 1987, U.S. cotton prices were at around 65 cents a pound and might go to 70 cents, as world stocks are diminished, according to trade sources.

U.S. farmers are expected to increase acreage devoted to cotton crops by 3% in the 1987-1988 crop year, to reach a total of 10.4 million acres. If yields are "normal", output would total 11.5 million bales in the coming season, which would be 18% above the 1986-1987 crop.

The demand by U.S. consumers for 100% cotton in apparel and home textiles, particularly bedsheets, is expected to remain strong. It is very important in the women's sweater market and picking up now in men's sweaters. However, styling in sweaters, especially women's, is expected to change from the long, bulky look to more conventional styling. As the oversize fashions accounted for a reported 10% to 15% of gross pounds of yarn produced in 1986, greater use in men's sweaters will help pick up the slack in demand. Knit fabrics and denims are strong. Cotton's share of the cotton spinning system in the U.S. rose to 66% in 1986, according to Cotton Inc., up from 60% in 1980. Cotton's share of the market for apparel and home furnishings, not including carpeting, rose to 44% last year from 42% in 1985, and a 34% share in 1975.

Natural Fibers (continued)

Cotton/Cotton System

Cotton System Fiber Consumption (On Cotton System Spindles)
(Cotton: thousands of running bales; manmade fiber: millions of pounds)

	Cotton	Manmade Fibers
1986	6,367	1,711.8
1985	5,497	1,606.0
1984	5,303	1,731.2
1976	6,833	1,838.9

Source: U.S. Department of Commerce, Bureau of the Census.

Wool/Wool System

Consumption of wool in the U.S. has soared with the growth of a quality-conscious, upscale consumer market, which has a preference for natural fibers. Average weekly consumption of apparel wool on the woolen system reached 2,562 thousand pounds in 1986, almost 25% over the 1985 average of 2,052 thousand pounds.

Over 60% of the apparel wool consumed in the U.S. is imported, and importers are faced with sharp increases in prices. Because of the burgeoning demand for wool on the part of Japan, China and the Soviet Union, the price of wool in the past six months in Australia--the world's biggest producer and exporter of apparel wool fibers--has surged over 20% in the first three months of 1987, following a gain of 6% in the last three months of 1986.

Meanwhile, prices on wool grown in the U.S shot up about a dollar a pound--an increase of nearly one-third over levels of last year--as of April 1987. The national average wool price was currently estimated at around $.95 to $1.00 a grease pound compared with a 1986 average of 66.8 cents.

According to the Wool Bureau, a pound of clean wool yields about 1 1/2 yards of average-weight woolen sportswear fabric, or about three-quarters of a yard of average-weight coating fabric. Raw materials constitute about half the cost of U.S. fabrics, so sharp increases in the cost of wool products are anticipated by Fall 1988.

Mill use of apparel class raw wool increased in 1986 to 126.8 million pounds compared to 106.1 million pounds in 1985. Carpet class raw wool decreased to 10 million pounds compared with 10.6 million in 1985. Manmade fiber mill usage increased to 472.7 million pounds in 1986, up from 428.2 million pounds in 1985, according to a Census Bureau survey covering all establishments consuming fibers in woolen spinning and/or producing tops and noils (including commission work on materials owned by others). The survey covered 150 establishments accounting for 90% of total consumption.

Natural Fibers (continued)

Wool/Wool System

Summary of Fibers Consumed in Woolen Spinning & Worsted Combing: 1982-1986
(millions of pounds)

	1986	1985	1984	1982
All fibers	644.0	570.0	628.4	558.0
Raw wool	136.7	116.6	142.1	115.7
Apparel class	126.8	106.0	129.0	105.9
Wool system	66.3	55.7	65.2	48.3
Worsted combing	60.5	50.3	63.8	57.5
Noils, reprocessed & reused wool, and other fiber*	34.6	25.2	38.1	25.3
Other fibers (cotton, jute, other vegetable fibers)	472.7	428.2	448.2	417.0

* Includes mohair, alpaca, vicuna and other specialty fibers.
Note: fiber consumption in cotton system spinning is not included in the above table. See the section on Yarns.

Source: U.S. Bureau of the Census, Current Industrial Reports: Consumption on the Woolen System & Worsted Combing (M22D(86)-13).

Manmade Fibers: Production

A review of annual production information from 1973 through 1986 on manmade fibers, compiled by the Textile Economics Bureau, shows that output by U.S. producers reached a highpoint in 1979 when noncellulosic fibers totaled 9,348 million pounds (noncellulosics representing 90%).

For the year 1986, total manmade fiber production in the U.S., not including glass fibers, amounted to 8,447 million pounds. This was a 4.0% improvement over the 1985 level, but 9.6% below the 1979 total. Output of cellulosics have fallen sharply. These fibers (rayon and acetate) accounted for 7.3% of manmade fiber output last year compared with 24.5% in 1971. Compared with 1979, production of cellulosic fibers in 1986 was off by 33%.

Review of Manmade Fiber Production by U.S. Producers & Capacity Utilization: Selected Years 1973-1986
(Production in millions of pounds)

	Total		Noncellulosic		Cellulosic	
Year	Production	Utilization	Production	Utilization	Production	Utilization
1973	7,654	89.9%	6,297	89.7%	1,357	90.9%
1975	6,624	68.6	5,875	69.8	749	60.5
1977	8,200	78.7	7,312	78.2	888	83.5
1979	9,348	85.8	8,418	86.0	930	83.9
1981	8,752	82.6	7,982	82.3	770	85.7
1983	8,174	80.0	7,534	80.4	640	75.7
1985	8,122	78.5	7,564	79.1	558	71.2
1986	8,447	84.7	7,828	84.5	619	87.3

Note: Data on glass fibers cannot be published due to company disclosure. Textile glass fiber for the latest year available, 1982, amounted to 889 million pounds. Capacity in 1986 amounted to 1,763 million pounds (compared with 1,718 million in 1982).

Source: Textile Economics Bureau: Textile Organon (January, March 1987).

Manmade Fibers: Production (continued)

Capacity utilization rates for manmade fibers picked up sharply in 1986 due both to capacity cutbacks and to improved demand. For noncellulosics, the rate rose to an average 84.5%--up from 79% in 1984 and 1985, and only 69% in 1982. At the end of last year, the rate was about 90% and has held at that rate in the first quarter of 1987.

Acrylic staple registered the highest reported capacity utilization rate on manmade fibers in 1986--96.7%, according to the Textile Economics Bureau. However, some observers view the industry as vulnerable to shifts in consumer demand which would result in too much acrylic fiber capacity in the U.S., perhaps by next year. An executive of a major acrylic producer, Monsanto Chemical Co., has predicted that demand will drop to 470 million pounds from the current peak of 530 million pounds (DNR, April 17, 1987). Nevertheless, in the first quarter of 1987, the acrylic capacity utilization rate was over 99%.

Polyester staple--the largest component of the manmade fiber total--registered a 5.5% gain in production in 1986 over 1985, but filament dropped over 11%. The capacity utilization rate for poly staple by th end of last year was well over 90% and was reported to have averaged 93% in the first quarter of 1987, up from 78% for the same 1986 period. For filament, the first quarter rate was only 82%; however, it is expected to improve though shipments will be down because of plant shutdowns by Eastman.

In the first quarter of 1987, the capacity utilization rate for rayon staple was 88%, compared with 79% in 1986, but production fell here too, due to plant shutdowns. Acetate yarn was also down, as this segment continues to be hurt by the loss of lining business caused by imported garments. Capacity utilization dropped to 70% compared with 77% in the 1986 period.

Manmade Fiber Production: 1982-1986
(Millions of pounds)

	1986	1985	1984	1982	Percent Change 1986/85	1986/82
Total reported	8,446.7	8,121.3	8,100.4	7,044.3	+ 4.0%	+ 19.9%
Cellulosic fibers (rayon/ acetate)	619.0	557.8	628.7	584.4	+11.0	+ 5.9
Yarn+monofilament	214.8	204.6	239.1	228.4	+ 5.0	- 5.9
Staple+tow	404.2	353.2	389.6	356.0	+14.4	+ 3.7
Noncellulosics	7,827.7	7,563.5	7,471.7	6,459.9	+ 3.5	+ 21.2
Yarn+monofilament	3,835.9	3,790.2	3,524.4	3,057.4	+ 1.2	+ 25.5
Nylon	1,605.5	1,514.8	1,577.3	1,241.6	+ 6.0	+ 29.3
Olefin	1,057.7	954.5	747.1	585.2	+10.8	+ 80.7
Polyester	1,172.7	1,320.9	1,200.0	1,213.6	-11.2	- 3.4
Staple+tow+fiberfill	3,991.8	3,773.3	3,947.3	3,402.5	+ 5.8	+ 17.3
Nylon	908.3	827.7	834.8	685.9	+ 9.7	+ 32.4
Acrylic/modacrylic	615.9	630.8	670.8	624.1	- 2.4	- 1.3
Polyester	2,132.3	2,020.1	2,191.8	1,955.2	+ 5.5	+ 9.1
Olefin, vinyon	335.3	294.7	249.9	138.2	+13.8	+142.6

Source: Textile Economics Bureau: Textile Organon (March 1987).

Manmade Fibers: Production (continued)

In May 1987, DuPont, the world's largest producer of nylon, announced plans to spend $100 million to update apparel nylon production in the U.S.; and the company has recently upgraded its Lycra spandex production facilities in the U.S. and abroad. Production of textile nylon requested a strong gain in 1986. Allied Fibers launched its new co-polymer nylon fiber, Hydrofil, last year, designed specifically for the burgeoning high performance activewear market.

Capacity Utilization Rates in U.S. Manmade Fiber Plants:
Selected Years - 1976-1986

	1986	1985	1984	1982	1979	1976
Cellulosic fibers	87.3	71.2	74.3	65.2	83.9	70.5
Yarn+monofilament	88.1	76.2	72.2	69.6	87.0	73.3
Staple+tow	86.9	68.5	75.7	69.3	81.9	68.5
Noncellulosics	84.5	79.1	79.0	69.0	86.0	72.6
Yarn+monofilament	83.9	81.2	78.7	66.8	81.0	67.7
Nylon, total	88.9	81.1	86.0	64.9	87.3	73.9
Textile	90.5	75.8	83.8	69.0	91.2	77.7
Polyester, total	82.3	89.8	79.8	75.7	80.1	65.6
Textile	83.5	93.6	76.1	72.8	79.0	62.5
Olefin	78.8	71.8	65.5	56.3	69.3	59.9
Staple+tow	85.6	77.2	79.3	71.1	91.5	78.1
Nylon	84.3	77.6	79.2	70.0	92.1	77.3
Polyester	85.6	72.5	78.7	72.4	92.1	82.2
Acrylic/modacrylic	96.7	100.0	83.1	75.0	90.7	71.5
Olegin+vinyon	73.3	72.5	74.4	50.9	82.2	50.8

Source: Textile Economics Bureau: Textile Organon (January 1987).

Data on glass fiber production is not included because of company disclosure rules. Textile glass fiber for the latest year available, 1982, amounted to 899 million pounds. Capacity in 1986 amounted to 1,763 million pounds.

Total shipments of all manmade fibers/yarns by U.S. producers in 1986 amounted to 8,415 million pounds according to the Textile Economics Bureau. This was 2.8% over the 1985 total, but there was considerable variation in the performance of specific fibers. In the last quarter of 1987, domestic shipments of all manmade fibers gained 7% over the comparable 1986 period.

While 1986 was a good year for U.S. fiber companies' domestic shipments, exports were down sharply in most cases. Domestic shipments for the year of all cellulosic and noncellulosic fibers were up 5.5%, totaling 7,924.2 million pounds, representing 94.2% of total shipments last year. In 1985, domestic shipments totaled 7,511.9 million pounds, representing 91.8% of total shipments.

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Manmade Fibers: Shipments

Exports in 1986 of all manmade fibers dropped about 27%, from 671 million pounds to 491.4 million. Fiber industry spokesmen cite two reasons for the drop, despite a weakening dollar: Asian markets are drying up as these countries, particularly China, are becoming more self-sufficient in manmade fibers, and in 1986, more U.S. production was shifted to an improving domestic market which offers greater profits. Reasons, of course, vary according to a particular fiber. Total manmade fiber imports, on the other hand, increased 18.3%, to reach 343.3 million pounds last year, with cellulosic fibers accounting for most of the gain.

Total Manmade Fiber Shipments by U.S. Producers: 1983, 1985, 1986
(Millions of pounds & percent change)

	Millions of Pounds			Percent Change	
	1986	1985	1983	1986/85	1986/83
Total manmade	8,415.1	8,182.4	8,129.3	+ 2.8%	+ 3.5%
Yarn + Monofilaments					
Cellulosic yarn*	212.3	210.1	225.8	+ 1.0	- 6.0
Noncellulosics listed:	3,821.8	3,799.4	3,572.7	+ 0.6	+ 7.0
Nylon:	1,592.4	1,535.8	1,497.6	+ 3.7	+ 6.3
Textile**	360.5	355.3	416.9	+ 1.5	-13.5
Industrial	333.4	345.1	318.1	- 3.4	+ 4.8
Carpet	898.5	835.4	762.6	+ 7.5	+17.8
Polyester:	1,169.7	1,312.5	1,360.9	-10.9	-14.0
Textile**	855.8	1,020.4	1,053.1	-16.1	-18.7
Industrial	313.9	292.1	307.8	+ 7.5	+ 2.0
Olegin	1,059.7	951.1	714.2	+11.4	+48.4
Staple+Tow+Fiberfill					
Rayon	403.8	358.7	377.4	+12.6	+ 7.0
Noncellulosics listed:	3,977.2	3,814.2	3,953.4	+ 4.3	+ 0.6
Nylon (excl. Aramid)	908.2	843.6	911.2	+ 7.7	- 0.3
Acrylic+Modacrylic	614.1	643.8	654.7	- 4.6	- 6.2
Polyester	2,123.4	2,038.6	2,197.8	+ 4.2	- 3.4
Olefin+Vinyon	331.5	288.2	189.7	+15.0	+74.7

* Data for 1983 covers acetate only; 1985 and 1986 includes both rayon and acetate.

**Low denier industrial nylon and polyester are now included with Textile.

Source: Textile Economics Bureau: Textile Organon (March 1987).

Manmade Fiber Shipments, Exports, Imports: 1985, 1986
(Millions of pounds)

	Shipments to Domestic Consumers		Exports		Imports	
	1986	1985	1986	1985	1986	1985
Manmade fiber total	7,924.2	7,511.9	491.4	671.0	343.3	290.2
Cellulosic	565.6	511.3	51.0	58.0	34.4	26.2
Noncellulosic	7,358.6	7,000.6	440.4	613.0	308.9	264.0

(continued)

Manmade Fibers: Shipments (continued)

Manmade Fiber Shipments, Exports, Imports: 1985, 1986
(Millions of pounds)
(continued)

	Shipments to Domestic Consumers		Exports		Imports	
	1986	1985	1986	1985	1986	1985
By fiber type:						
Yarn+monofilament						
Cellulosic	192.1	187.1	20.2	23.0	17.0	13.9
Noncellulosic	3,621.2	3,559.2	200.6	240.2	126.1	104.6
Staple+tow						
Cellulosic	373.5	324.2	30.8	35.0	17.4	12.3
Noncellulosic	3,737.4	3,441.0	239.8	372.8	182.8	159.4

Source: Textile Economics Bureau: Textile Organon (March 1987).

Yarn and fiber producers have benefited from the tremendous popularity of large bulky sweaters as well as demand for fleece wear, most of which is produced in the U.S. Demand in 1987 for most fibers is generally expected to hold steady in 1987, though the growing popularity of cotton may make some inroads on manmade fibers' market share. A trend toward heavier weight fabrics in fleece has been reported, involving cotton/acrylic blends.

Producers are turning more attention to fibers designed for specific end uses, rather than the older practice of developing markets after the development of a fiber. Celanese, for example, has developed a chemically treated Comfort Fiber, which mimics the comfort qualities of cotton while retaining the performance properties of manmade fibers. DuPont, too, has introduced a cotton-like staple polyester fiber--identified as type 720W Dacron--which is expected to replace all conventional Dacron polyester over the next five years.

Shipments of Specified Manmade Fibers By U.S. Producers To Domestic Consumers: 1985, 1986
(Millions of pounds)

	1986	1985	% Change 1986/85
Nylon, total	2,374.5	2,247.7	+ 5.6%
Filament	1,479.6	1,417.4	+ 4.4
Staple	894.9	830.3	+ 7.8
Acrylic staple	531.2	458.7	+15.8
Olefin	1,049.2	937.6	+11.9
Polyester	3,091.0	3,076.9	+ 0.5
Filament	1,092.4	1,204.2	- 9.3
Staple	1,998.6	1,872.7	+ 6.7
Other staple	312.7	279.7	+11.8

Source: Textile Economics Bureau.

Manmade Fibers: Shipments (continued)

While domestic shipments of acrylic gained, exports dropped 55% to 83 million pounds compared with 1985's total of 185 million pounds. Exports of polyester staple fell to about 125 million pounds, down 25% compared with the 166 million pound 1985 total. Polyester filament exports dropped about 44% in 1986 from the 1985 total, reaching 48 million pounds. Rayon staple exports dropped 12% to about 31 million pounds. Going against the trend, exports of textile nylon gained 3%, to reach a 1986 total of 10 million pounds.

Reports on manmade fiber domestic shipments in the first quarter of 1987, released by the Textile Economics Bureau, show a good start for the year. Compared with the same period in 1986, shipments of acrylic staple (pounds) were up about 13%; polyester staple, up 6.5%. Exports of acrylic staple, however, were down 50%. Nylon filament domestic shipments for carpet applications were up 10% but for textile applications, the gain was only about 1%.

Domestic rayon staple shipments for the first quarter this year were about even with a year ago, though there were some plant shutdowns. Exports were up somewhat. Acetate yarn shipments declined nearly 20%. Plans are underway to hike prices of some fibers by Summer 1987 (polystaple, for one).

Domestic Shipments of Manmade Fibers By Major Category: 1984-1986
(Millions of pounds)

	1986	1985	1984	% Change 1986/85
Woven products: total	2,140.1	2,073.7	2,232.8	+ 3.2%
Polyester	1,277.7	1,309.9	1,475.5	- 2.5
Rayon (yarn & staple)*	218.0	174.9	177.7	+24.6
Olefin	307.0	267.9	242.3	+14.6
Nylon	147.1	139.9	173.1	+ 5.1
Acetate*	128.3	112.8	109.5	+13.7
Acrylic	62.0	68.4	54.7	- 9.4
Knit products: total	1,420.1	1,295.8	1,253.0	+ 8.6
Polyester	687.1	638.3	591.4	+ 7.6
Nylon	251.5	257.5	261.2	- 2.3
Acrylic	425.1	336.3	323.3	+26.4
Acetate*	49.8	55.6	69.5	-10.4
Rayon (yarn & staple)*	6.6	8.1	7.6	-18.5
Carpets: total	2,601.6	2,380.7	2,131.4	+ 9.3
Nylon	1,719.2	1,589.3	1,521.2	+ 8.2
Olefin	737.0	664.1	478.4	+11.0
Polyester	145.0	126.8	131.4	+14.3
Rayon	0.4	0.5	0.4	-20.0

* Rayon yarn is included with acetate in 1985 and 1986.
Note: The above table includes broadwoven fabrics, knits and carpets, only.

Source: Textile Economics Bureau.

Manmade Fibers: Shipments (continued)

Value of Manmade Fiber Shipments By U.S. Producers: 1982-1985
(Millions of dollars)

	1985	1984	1983	1982	% Change 1985/82
Total reported	$16,948.6	$18,245.8	$17,783.4	$15,414.5	+ 9.9%
Cellulosic (rayon & acetate)	991.5	1,103.7	1,207.3	1,114.8	-11.1
Noncellulosic fibers, total	7,978.6	8,571.0	8,288.0	7,149.8	+11.6
Nylon*	2,230.8	2,662.8	2,510.6	1,891.1	+18.0
Acrylic & modacrylic*	525.4	562.2	578.7	595.5	-11.8
Polyester*	2,905.1	3,147.3	3,111.6	2,679.1	+ 8.4
Other*	662.2	586.6	518.8	445.9	+48.5
Producer textured	1,626.8	1,581.3	1,543.6	1,519.7	+ 7.0
Type not specified	28.2	30.9	24.8	18.6	+51.6

* Except producer textured.

Source: U.S. Bureau of the Census: (Value of Product Shipments) Annual Survey of Manufactures (M85(AS)-2).

Total Fiber Consumption

Reported Fiber Consumption By U.S. Textile Mills: 1982-1986
(Millions of pounds)

Year	Total	Cotton	Manmade Fibers	Wool	Silk
1986	11,916.0	3,297.5	8,454.0	164.5	3.0
1985	10,969.2	2,796.0	8,035.0	134.7	3.0
1984	10,623.9	2,668.2	7,789.5	163.2	3.0
1983	10,954.7	2,795.7	7,994.5	162.5	2.0
1982	9,263.9	2,478.9	6,653.5	129.5	2.0

Source: Textile Economics Bureau and U.S. Dept. of Agriculture.

Cotton consumption, overall, rose about 18% in 1986 compared with 1985. This gain was at the expense of polyester, as consumer preferences shifted to natural fibers, as well as to heavier weight denim. Lower cotton prices and improvements in cotton yarns were also factors in its increased use.

Total Fiber Consumption (continued)

Per Capita Consumption of Fibers in the U.S.: 1970, 1975, 1980, 1985
(In pounds)

Year	Total*	Cotton	Wool	Rayon/Acetate & Other Manmade	Flax & Silk**
1985	57.3	17.7	1.5	38.1	.02
1980	49.9	14.6	0.9	34.4	.01
1975	46.3	14.7	0.7	30.9	.02
1970	47.0	20.1	1.7	25.2	.04

* Excludes nontextile glass fiber.
**Mill use

Source: U.S. Department of Agriculture: Cotton and Wool Situation and Outlook Yearbook (CWS 46, Aug. 1986).

The major end uses of textile mill products include apparel, home furnishings, and industrial/specialty products. Apparel's share of fiber consumption has remained at about 37% since 1979, whereas the share held by home furnishings grew from 31 to 38%. Industrial textile products consume over 20% of fibers, according to the Textile Economics Bureau.

Yarns

Information on U.S. production of spun and textured yarns is reported annually by the U.S. Census Bureau. Data for 1986 will not be issued until later this year. Trade information indicates that yarn spinners are benefiting from the popularity of fleece in active/casual wear and from the current demand for over-sized sweaters and heavyweight T-shirts. Sales are up in spite of increasing imports of both yarn and finished garments. According to the American Textile Manufacturers Association (ATMA), imports of cotton and cotton/polyester combed and carded yarns increased 458% between 1980 and 1986 and were up 92.3% in 1986 compared with 1985.

Attrition in U.S. yarn spinning, as in the other branches of the textile industry, has been intense; 250 spinning and weaving plants have closed since 1980. Survivors are racking up substantial increases in business, with gains in both domestic and foreign orders--the latter picking up with the decline in the value of the dollar. Technological improvements have enabled spinners to greatly improve productivity. The replacement of ring spinning of yarn by rotor and friction spinning is reported to have increased production tenfold.

Gains in sales are anticipated through 1987 and 1988, particularly in knitting yarns, but carrying over to weaving yarns, especially cotton. The following figures on production of textured and spun yarns in the U.S. are compiled by the Census Bureau through surveys among all known producers (approximately 150 establishments produce textured yarns and 675 produce spun yarns).

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Yarns (continued)

Textured yarns include production directly from fiber, as well as the texturizing of yarn produced by others. For spun yarn, the surveys covered companies spinning yarn from staples, tow, and uncut top on any textile-type system of machinery.

Explanation of terms:

FOR OWN USE:	Produced for consumption in the yarn producing plant or in other plants under the same or affiliated ownership.
ON COMMISSION:	Produced from yarns owned by other companies not under the same ownership or affiliated with the yarn producing plant.
FOR SALE:	Produced for sale to other companies not affiliated with the yarn producing company.

Yarns: Textured

Textured yarn production in 1985 amounted to 2,442.8 million pounds, an increase of 4.7% from 1984, according to the Census Bureau. Polyester weaving yarn rose 16.5% while polyester knitting yarn increased 6.7%. Nylon carpet and rug yarn gained 3.5%.

Textured Yarn Production in the U.S.: 1982, 1984, 1985
(Millions of pounds)

	1985				Total	
	Total	For Sale	For Own Use	On Commission	1984	1982
Textured, crimped, bulked filament						
Yarn total	2,442.8	1,757.9	598.3	86.6	2,333.5	2,137.1
Nylon	1,396.3	1,089.1	255.8	51.4	1,354.5	998.7
Polyester	817.5	484.7	297.6	35.2	739.7	962.4
Rayon, acetate & other	228.9	184.0	44.9	*	239.3	176.1

Apparent Consumption of Textured Yarn: 1985
(Quantity in thousands of pounds; value in thousands of dollars)

	Cellulosic		Noncellulosic	
	Quantity	Value	Quantity	Value
Domestic production	191	na	2,442,580	na
Exports	102	297	173,385	192,243
% exports to production	53.4%	na	7.1%	na
Imports for consumption	193	315	74,375	92,236
Apparent consumption**	282	na	2,343,570	na
% imports to apparent consumption	68.4%	na	3.2%	na

na not available

* A small quantity of rayon, acetate or other yarn produced on commission is included with "for own use" to avoid disclosure.

** Apparent consumption is equal to domestic production, plus U.S. imports, minus exports. Import value is c.i.f. (cost, insurance, freight).

Source: U.S. Bureau of the Census: *Current Industrial Reports* (MA22F.1).

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Yarns: Spun

In 1985, spun yarn production totaled 5.7 billion pounds, decreasing 1.7% from 1984. Only cotton showed an increase, at 2.1%, based on fiber types. In terms of end use, increases were noted for machine knitting yarns and for carpet/rug yarns, but weaving and other end uses were down compared with 1984. When available, 1986 data will undoubtedly show a good gain for knitting yarns, as well as a pickup from 1985 levels in other end uses.

Spun Yarn Production in the U.S. 1982, 1984, 1985
(Millions of pounds)

Total & Selected Fiber Types:	1985				Total	
	Total	For Sale	For Own Use	On Commission	1984	1982
Spun yarns, total	5,733.2	1,836.5	3,948.8	47.9	5,832.2	5,284.3
Selected yarns:						
Cotton	2,153.9	601.9	1,551.9	*	2,108.8	1,487.2
Cellulosic	135.0	42.4	nr	nr	157.4	131.6
Wool	111.4	23.1	81.0	7.3	126.1	87.8
Noncellulosic	3,328.4	1,167.2	2,120.8	40.4	3,435.1	1,478.0
100% acrylic	280.2	216.0	62.2	2.0	290.3	56.2
100% polyester	375.8	196.7	nr	nr	410.3	160.0
Blends: Chiefly polyester-cotton	1,465.4	nr	1,237.9	nr	1,548.3	1,123.5
100% nylon	818.7	341.0	448.0	29.7	794.5	26.5
Selected yarn types:						
Weaving yarn, excl. carpet	3,320.6	330.9	2,978.5	11.1	3,416.2	3,249.0
Machine knitting	1,248.5	927.9	316.0	4.7	1,244.6	1,074.0
Hand knitting	63.6	54.6	nr	nr	67.4	84.3
Carpet/rug	940.9	414.9	496.6	29.4	937.2	709.4
Other	159.6	108.2	nr	nr	166.9	167.6

Apparent Consumption of Spun Yarn: 1985
(Quantity in thousands of pounds; value in thousands of dollars)

	Cotton		Wool		Manmade	
	Quantity	Value	Quantity	Value	Quantity	Value
Total production**	2,153,866	nr	111,425	nr	3,463,426	nr
Sales yarn						
Exports	601,817	nr	23,138	nr	1,209,624	nr
Imports for consumption	10,237	19,699	460	2,953	43,642	72,270
Apparent consumption	27,553	41,527	11,568	65,840	33,968	64,699

nr not reported as it represents a relatively small quantity.
* Included in "for own use".
**Other fibers not listed, are not included in figures.

Source: U.S. Bureau of the Census: Current Industrial Reports (MA22F.2).

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Value of Yarn Shipments

The value of shipments of yarn (except wool) by U.S. producers amounted to $5.1 billion in 1985, down almost 6% compared with 1984.

Value of Yarn Shipments: 1982-1985
(Millions of dollars)

	1985	1984	1983	1982
Yarn mills, except wool	$5,119.4	$5,436.5	$5,291.6	$4,519.6
Carded cotton yarns	1,121.5	1,184.0	1,147.5	939.2
Combed cotton yarns	334.5	388.7	410.2	450.5
Rayon, acetate yarns	238.2	235.4	238.9	149.3
Spun noncellulosic fiber & silk yarns	3,362.4	3,576.5	3,416.9	3,001.2
Spun yarns, gray or finished, type not specified	62.8	51.8	78.0	79.3
Throwing & winding mills	2,447.2	2,421.4	2,339.8	2,002.5
Selected types:				
Textured, crimped or bulked filament yarn made from purchased filament yarn	1,972.0	1,873.1	1,753.8	1,487.5
Wool yarn mills	250.1	309.1	311.1	248.2

Source: U.S. Bureau of the Census: Annual Survey of Manufactures.

Yarn Consumption

Yarn Consumption in U.S. Mills: 1980, 1984, 1985
(Millions of pounds)

	1985	1984	1980	% Change 1985/1980
Total reported	--	6,334.1	6,522.3	--
Broadwoven fabrics	nr	4,658.2	4,772.0	--
100% filament yarn	nr	1,575.2	1,457.4	--
Rayon, acetate, triacetate	nr	153.8	126.7	--
Polyester	nr	483.9	464.0	--
Saran, olefin	nr	418.2	318.9	--
Glass	nr	170.5	167.5	--
Nylon	nr	321.3	363.9	--
Other	nr	28.0	16.4	--
Spun yarns	nr	2,961.6	3,206.0	--
100% cotton	nr	1,233.5	1,356.3	--
100% acrylic	nr	40.9	28.6	--
100% polyester	nr	145.2	137.1	--
100% wool	nr	63.0	34.1	--
Rayon, acetate: 100% or cotton blends	nr	91.2	97.7	--
Polyester/cotton blends	nr	1,218.9	1,372.6	--
Polyester/wool blends	nr	41.7	22.2	--
Polyester/rayon blends	nr	127.1	157.4	--
All other yarns	nr	121.1	108.6	--

(continued)

Yarn Consumption (continued)

Yarn Consumption in U.S. Mills: 1980, 1984, 1985
(Millions of pounds)
(continued)

	1985	1984	1980	% Change 1985/1980
Knit fabrics	1,589.6	1,523.9	1,612.7	- 1.4%
Sliver, all fibers	95.1	77.5	78.0	+ 21.9
Filament yarns	454.3	446.8	721.1	- 37.0
Flat:				
Polyester	97.3	74.4	93.9	+ 3.6
Acetate, triacetate	65.8	74.9	102.3	- 35.7
All other yarns	62.1	68.3	73.9	- 16.0
Textured:				
Polyester	138.3	139.8	306.9	- 54.9
Nylon	79.3	82.6	107.8	- 26.4
All other yarns	11.5	6.9	36.3	- 68.3
Spun yarns	920.4	887.9	729.1	+ 26.2
100% cotton	277.7	267.0	247.2	+ 12.3
All acrylic & acrylic blends	257.0	209.3	197.5	+ 30.1
Polyester and cotton blends	386.7	411.6	284.4	+ 36.0
All other yarns & not specified	119.8	111.5	84.5	+ 41.8
Narrow fabrics (yarn total)	142.4	152.0	137.6	+ 10.5
Cotton yarns	24.2	30.6	33.9	- 28.6
Filament rayon & acetate yarns	10.9	12.3	25.1	- 56.6
Filament nylon yarns	26.9	27.9	35.0	- 23.1
Filament glass yarns	6.7	4.5	4.3	+ 55.8
Bare rubber thread	9.7	8.8	12.8	- 24.2
Polyester yarns	51.0	53.2	nr	--
Bare spandex thread	0.9	0.8	0.5	+ 80.0
Covered thread	1.6	1.3	1.3	+ 23.1
Spun rayon yarns	1.7	1.0	1.1	+ 54.5
Saran & olefin yarns	6.4	6.0	5.4	+ 18.5
Other yarns	14.6	16.5	32.8	- 55.5

nr not separately reported

Source: U.S. Bureau of the Census: Current Industrial Reports.

PRODUCTION OF TEXTILES & APPAREL

The Board of Governors, Federal Reserve System, compiles monthly indexes measuring production in the U.S. in major industry classifications. The March 1987 textile mill index, seasonally adjusted, was 118.5 (1977=100), gaining 9.6% over the index a year earlier (108.0). Trends in production of specific types of manmade fibers have been outlined in previous sections of this FACT FILE, as well as fabrics.

The FRB index for apparel production in 1986 averaged only 2.3% above 1985. In February 1987, however, the index (seasonally adjusted) hit 108.2, up 5.2% over the February 1986 index (102.8)

Production Levels in the Fiber/Textile Apparel Complex
(Annual average indexes, 1984-1986 based on 1977=100)

	1986	1985	1985	% Change 1986/85
All U.S. manufacturing*	129.1	126.4	123.4	+ 2.1%
Manmade fibers	98.5	95.3	94.1	+ 3.4
Textile mill products	113.2	103.2	104.2	+ 9.7
Fabrics	110.3	98.3	99.1	+12.2
Cotton fabrics	130.6	108.4	101.7	+20.5
Manmade fiber fabrics	101.5	93.8	99.1	+ 8.2
Knit goods	106.2	101.0	100.4	+ 5.1
Hosiery	155.0	145.0	143.0	+ 6.9
Knit garments	92.3	88.4	88.2	+ 4.4
Fabric finishing	85.7	81.5	93.1	+ 5.1
Carpeting	148.7	139.8	127.4	+ 6.4
Yarns & misc. textiles	120.2	105.7	109.8	+13.7
Apparel & other textile products	103.2(p)	100.9	102.7	+ 2.3

(p) preliminary

Source: Board of Governors, Federal Reserve System (G.12.3).

In the Economic Outlook report issued late last year by the Chamber of Commerce of the U.S., it was anticipated that textile production would increase by 2.3% in 1987. A gain--but at a slower pace--was also anticipated in the apparel industry.

Based on capacity and capacity utilization rates available from the FRB in the early months of 1987, the textile mill products industry was operating at rates above the comparable period a year ago. For the year 1986 the industry's capacity utilization rate was at a seven year high. It averaged 91.4% compared with 84.0% in 1985, 83.3% in 1980, and a low of 73.6% in 1982. As of March 1987, the rate, seasonally adjusted, was at 94.6% of capacity.

Average Annual Capacity Utilization Rate: 1980-1986
For Textile Mill Products

1986(p)	1985	1984	1983	1982	1981	1980
91.4%	84.0%	85.4%	83.2%	73.6%	80.9%	83.3%

(p) preliminary

Source: Board of Governors, Federal Reserve System (G.3 (402).

PRODUCTION OF TEXTILES & APPAREL

Broadwoven Gray Goods

Production of cotton broadwoven goods (gray) increased by 11.3% in 1986, while manmade fiber fabrics decreased 0.3% compared with 1985, according to the Census Bureau. Production of 85% or more filament yarn fabrics increased by 4.0%; output of 85% or more spun yarn fabrics dropped 8.4%.

Production of woolen and worsted fabrics increased from 138.3 million square yards in 1985 to 139.5 million square yards last year--a gain of less than 1%.

The Census Bureau data is based on a survey covering all companies manufacturing broadwoven fabrics (gray) in the U.S., except very small firms (generally less than 5 employees). Approximately 425 plants are included. The 1986 survey was revised to provide for increasing comparability to the data published for imports and exports, and detailed data, for that reason, are not directly comparable to that shown in previous years.

Summary of Production of Broadwoven Fabrics: (Gray) 1983-1986
(Millions of square yards)

	1986	1985	1984	1983
Total	15,711.3	15,321.0	16,578.4	16,339.1
Cotton, chiefly cotton, fabrics	4,364.1	3,920.5	4,002.1	4,192.1
Manmade fiber fabrics, silk and manmade/wool blends	10,764.2	10,766.6	11,852.4	11,460.7
Chiefly wool fabric	139.5	138.4	159.3	143.6
Tire cord and tire fabrics	443.5	495.5	564.6	542.7

Source: U.S. Bureau of the Census: Current Industrial Reports (MQ22T).

Following are excerpts from the complete Census Bureau report covering production of fabrics of major interest.

Production of Selected Gray Goods Fabrics: 1986(p)

	Thousands of Square Yards
Selected fabrics:	
Manmade fiber fabrics:	
85% or more filament --	
Rayon/acetate	590,854
Other fibers	4,356,678
85% or more spun yarn except wool blends & excluding yarn dyed	4,490,637
Yarn dyed fabrics	
Blue denim, total	685,998
More than 50% cotton	646,990
Other	39,008
All other denim, total	141,599
More than 50% cotton	103,006
Pile fabrics (chiefly cotton or manmade)	598,982
Corduroy	171,494
Velvets, plushes	48,898
Terry toweling, terry cloth	381,590

(p) preliminary

Source: U.S. Bureau of the Census: Current Industrial Reports (MQ22T).

Broadwoven Gray Goods (continued)

Denim production is picking up with the revival in non-basic jeans business, sparked by new treatments of denim, particularly a treatment called acid wash for which market test results indicate good consumer acceptance. Corduroy business has been off, but demand is expected to pick up this year as it again becomes fashionable.

Converters

Both converters and finished textile manufacturers were reported to be concerned about rapidly increasing prices and demand for cotton gray goods. Reduced domestic loomage over the past three years, uncertainties over deliveries of imported gray goods and concern about import quotas have distorted the market. Converters and traders are wondering if finished fabrics business will be strong enough to warrant current levels of demand and prices for gray goods. With the current rise in raw cotton prices worldwide, the only direction on goods would seem to be up.

As of early May 1987, it was reported that converters' problems were being compounded by speculators who are buying up fabrics, particularly cottons, and by the growing export business fueled by the weaker dollar. China, in particular, has stepped up purchases of gray goods from U.S. mills. At the same time, as the cost of imported apparel and quotas is leading many U.S. manufacturers to return to production within the U.S., converters are stepping up imports of gray goods to fill fast changing demands for specific fabric types.

Dyeing & Finishing

The Nation's finishing plants and textile mills bleached, dyed or printed 6,794.4 million linear yards of broadwoven goods, according to preliminary data for 1986. This was 1.7% above the 1985 total, but 4.5% below the total in 1982, according to the Census Bureau.

Most of the gain registered in 1986 was in cotton fabrics--up almost 5% compared with 1985 production, while finished manmade fiber goods gained less than 1%.

Cotton & Manmade Fiber Finished Broadwoven Fabrics
By Fiber Type: 1982, 1985, 1986
(Millions of linear yards)

	1986	1985	1982	% Change 1986/1982
Cotton & manmade fiber goods finished, total	6,794.4	6,677.4	7,118.3	- 4.5%
Cotton finished fabrics	2,522.9	2,407.7	2,519.5	+ 0.6
Bleached & white finished	1,157.6	1,056.6	1,220.7	- 5.2
Dyed & finished	999.9	945.6	861.3	+ 5.7
Printed & finished	365.4	405.5	437.5	-16.5
Manmade fiber finished fabrics	4,271.4	4,269.7	4,598.8	- 7.1
Bleached & white finished	3,229.9	827.6	1,088.2	- 9.5
Dyed & finished		2,436.4	2,479.8	
Printed & finished	1,041.5	1,005.7	1,030.8	+ 1.0

Source: U.S. Bureau of the Census, Current Industrial Reports: Finished Broadwoven Fabric Production.

Dyeing & Finishing (continued)

Fabrics Finished For Crease Resistance of Wash-Wear Properties
(Thousands of linear yards)

	1985	1984
Total fabrics	966,933	993,420
Cotton broadwoven fabrics	214,681	179,907
Manmade fiber broadwoven fabrics	752,252	813,513

The role of prints in apparel and home textiles changes with fashion cycles. A revived print cycle was reported for Spring 1987, with orders coming into U.S. printers at a fast rate. Domestic suppliers have the advantage of being able to meet the fast-changing demands for prints, an important edge over imports. However, it is reported that competition from cheaper imports has kept prices down, and forced American companies to keep a firm hold on costs in order to remain competitive.

One of the newest industry developments is garment dyeing, which is said to be rapidly gaining apparel industry interest at all levels. Garments are produced from gray goods or bleached fabrics, then dyed to order as specified by retailer customers. The garment-to-retailer time span is sharply reduced, and this is a key factor in meeting competition from imports. The denim market, as noted, has been stimulated by new treatments, including acid-dyed, stone-washed, and yarn-dyed denims.

The process has been used in Europe for some years, and in the U.S. by hosiery and sweater and area rug manufacturers. Now producers of woven-fabric apparel are taking on the process, either having the garments dyed in their own plants (including Farah Mfg. Co. and Lee Co.) or handled by commission dyers (including Liz Claiborne and Calvin Klein). Benetton stores sell a wide color variety of garment dyed knits. Commission or contract dyers are handling the major share currently, but some industry sources believe that textile mills will be the dominant garment-dyers in the future, because they can maintain quality control and, in addition, are experienced dyers.

Knits

The American knitting industry has been greatly reduced in size in recent years, while demand for knitwear and knit fabrics which are important in casual apparel has boomed. At the forefront are fleeces, reported to be sold up into 1988. The great spurt in popularity of fleece performance and casual wear has been a boon to U.S. mills, as it fits into their long-run manufacturing strengths.

All types of circular knits, single knits, double knits, interlocks, fleeces, even laces, are reported to be enjoying strong markets in 1987. Warp knits are the exception, particularly tricots for intimate apparel, which have suffered from a fashion swing to woven goods and natural fiber fabrics.

(continued)

Knits (continued)

Imports are an indirect, not a direct, threat to unintegrated knit fabric producers as they accounted for less than 0.5% of total domestic consumption in 1985. However, imports have affected all knitwear. An industry source estimates that the domestic industry accounts for only about a third of the domestic market for knits. Some relief is looked for in Multi-Fiber Arrangement bilateral agreements which would help the sweater industry, in particular, in dealing with imports of ramie knits. However, China, a major source, has not signed an agreement thus far.

The recent move toward more domestic sourcing by large import-oriented retailers is having an impact on the knitting industry. Large retail chains dominate the market, and have very stringent requirements and are very aggressive in their sourcing requirements, putting strains on suppliers. Domestic capacity for fleecewear is being stretched to the limit, and retailers are being forced to look to sources in the Far East for this merchandise.

The latest available figures on knit fabric production, from the U.S. Census Bureau are for the year 1985. That year, output fell 1.2% below 1984, and was over 6% below the 1980 level. Figures for 1986 are expected to show a gain over 1985. Included in the CIR data below is knit fabric produced on commission and for own use.

Summary of Knit Fabric Production: Selected Years - 1980-1985
(Millions of pounds)

	1985	1984	1982	1980
Knit fabrics, total	1,496	1,514	1,309	1,597
Warp knit fabric	345	360	289	407
Tricot, simplex, milanese	258	272	239	343
Raschel and raschel-crochet	87	88	50	64
Weft knit fabric	1,151	1,154	1,019	1,190
Single circular knit	828	836	703	688
Double knit and interlock	213	197	229	381
Rib knit	110	121	88	121

Source: U.S. Bureau of the Census: Current Industrial Reports, Knit Fabric Production (MA22K(85)-1.

Narrow Fabrics

Production of narrow fabrics in U.S. plants is reported annually by the Census Bureau. The latest figures currently available are for the year 1985 which the total value of U.S. manufacturers shipments was placed at $808.6 million, down 4.7% compared with 1984 shipments.

Narrow Fabrics (continued)

Summary of Quantity & Value of Shipments, Including Interplant Transfers of Woven Narrow Fabrics: 1984, 1985
(In thousands)

	1985		1984	
	Quantity	Value	Quantity	Value
Woven & braided narrow fabrics	--	$808,634	--	$848,933
Woven narrow fabrics	--	650,770	--	686,830
Elastic	1,437,573 lin. yds.	175,105	1,418,572 lin. yds.	185,343
Nonelastic	--	475,665	--	501,484
Braided narrow fabrics	--	150,643	--	154,453
Type not specified	--	7,221	--	7,650
Knitted narrow fabrics	241,839	38,694	243,951	42,999

Source: U.S. Bureau of the Census: Current Industrial Reports, Narrow Fabrics (MA22G (85)-1).

Exports of narrow fabrics were valued (at port) at $65.4 million in 1985; imports at close to $50 million c.i.f. (cost, insurance and freight). Imports represented only 6.3% of the total value of domestic consumption. They are not a direct threat to the industry but have, of course, reduced the number of domestic customers (apparel manufacturers).

Nonwovens

According to John R. Starr, management consultant to the industry, the total nonwovens market consumed about 1.25 billion pounds of fiber in 1985, and shipments were valued at $1.7 billion. About half of this was in disposable nonwovens, for which an annual growth rate of between 5 and 6% is expected. Durables are expected to register about the same overall growth rate as disposables. Interlining is the largest end use in this segment. Wallcovering, drapery, and carpet backing applications are expected to decline.

A study released by Frost & Sullivan on disposable nonwovens in the U.S. in May 1986 found that total consumption is expected to increase from 5.4 billion to 8.6 billion square yards by 1989. A 7.9% annual growth rate through 1989 was anticipated. Other growth areas included industrial garments, with 16% growth predicted, nonwoven envelopes (15%) and wipes (11.8%).

In durables, Frost & Sullivan reported that import competition will impact the apparel interlining market as well as indoor/outdoor carpeting, apparel fiberfill, wallcoverings, and automotive fabrics.

The major fibers used in disposable nonwovens include polypropylene, polyester, rayon and cellulose. Polypropylene is the leading fiber with annual increases of 10.1% expected through 1989, according to Frost & Sullivan. Cellulose ranks second, with increases of nearly 11% predicted.

PRODUCTION OF TEXTILES & APPAREL

Nonwovens (continued)

The 1982 census of manufactures (U.S. Census Bureau) showed a total of 144 companies classified in the nonwoven fabrics industry, up from 81 in 1977.

VALUE OF PRODUCT SHIPMENTS

Preliminary estimates on the value of shipments of major classifications in the fiber/textile/apparel complex in 1986, in terms of current dollars and in constant dollars, have been compiled by the International Trade Administration. Summary information on the value of exports and imports is also included in the ITA report (U.S. Industrial Outlook 1987).

Shipments in 1986 Compared With 1985

	Percent Change		Compound Annual Change	
	1986/85	1985/84	1972-1984	1979-1984
Cellulosic manmade fibers				
Current $	+11.7%	-15.0%	+ 4.1%	+ 0.3%
Constant (1982$)	+ 9.0	-15.0	- 3.4	- 7.2
Noncellulosic manmade fibers				
Current $	+ 4.3	+ 2.4	+ 9.3	+ 5.0
Constant (1982$)	+ 3.2	+ 2.4	+ 5.4	- 0.6
Textile mill products				
Current $	+ 3.5	- 4.0	+ 6.0	+ 4.2
Constant (1982$)	+ 1.5	- 3.1	+ 0.7	- 0.5
Yarn mills: current $	+ 8.1	- 5.0	+ 7.0	+ 4.8
Yarn mills: constant $	+ 9.1	- 3.6	+ 0.8	+ 0.5
Broadwoven fabric mills				
Current $	+ 2.8	- 6.3	+ 7.2	+ 3.9
Constant (1982$)	+ 3.9	- 4.6	+ 0.8	- 0.2
Apparel & other mill products				
Current $	+ 3.0	- 0.2	+ 6.3	+ 6.0
Constant (1982$)	+ 2.1	- 1.3	+ 1.3	+ 1.7

Source: International Trade Administration:
U.S. Industrial Outlook 1987.

The value of shipments of specific products made by all manufacturers, regardless of industry classification, has been reported in detail by the Census Bureau. The following table summarizes data for major product groupings, 1982-1985.

Value of Product Shipments: 1982-1985
(Millions of dollars)*

	1985	1984	1983	1982
Manmade fibers	$14,631.4	$16,047.0	$15,696.2	$13,430.3
Cellulosic manmade fibers	991.5	1,103.7	1,207.3	1,114.8
Organic fibers, noncellulosic*	7,978.6	8,571.0	8,288.0	7,149.8
Nylon, except producer-textured	2,230.8	2,662.8	2,510.6	1,891.1
Acrylic, modacrylic, exc. producer textured	525.4	562.2	578.7	595.5
Polyester, except producer-textured	2,905.1	3,147.3	3,111.6	2,679.1
Textile mill products				
Cotton broad woven goods	3,897.9	4,067.9	4,159.7	3,635.0
Weaving mills, manmade fiber and silk products	8,105.4	9,129.2	8,880.2	7,820.3
Wool broad woven fabrics	930.4	960.7	922.3	834.0
Narrow fabrics	989.9	961.4	904.6	826.1
Hosiery	3,057.1	3,201.8	3,085.0	2,749.8
Knit outerwear	3,220.1	3,348.1	3,383.4	3,154.2
Knit underwear mills	985.6	919.8	812.2	767.4
Circular knit fabrics	2,076.8	2,273.6	2,501.2	2,494.9
Warp knit fabrics	1,719.5	1,730.6	1,904.4	1,567.5
Knit gloves & other knit products, n.e.c.	168.4	159.1	165.1	133.5
Finishing plant products:				
Cotton fabrics	890.7	841.3	918.5	768.2
Manmade fiber, silk	3,119.2	3,294.9	3,065.0	2,767.5
Other	909.6	1,040.6	1,014.8	920.6
Carpets & rugs	7,375.6	7,155.2	6,473.7	5,369.5
Yarn & thread mills	8,416.1	8,788.9	8,571.3	7,384.9
Nonwoven fabrics & products	1,981.9	1,976.0	1,772.1	1,658.8
Misc. textile goods	3,841.6	4,137.2	3,706.5	3,511.2
Apparel**				
Specified men's & boys' wear:	15,897.5	15,901.3	15,192.7	14,711.4
Suits, coats	3,105.9	3,130.6	3,036.5	2,932.9
Shirts, nightwear	3,604.9	3,394.7	3,190.4	3,118.0
Underwear	442.1	464.1	462.5	425.5
Neckwear	306.5	323.9	330.9	310.4
Separate trousers	2,085.4	2,204.8	2,218.6	2,107.0
Work clothing	4,424.4	4,553.0	4,234.4	4,022.9
Hats & caps (incl. women's, children's)	469.9	483.9	433.3	416.8
Type not specified	1,458.4	1,346.3	1,286.1	1,377.9
Specified women's wear:	20,953.3	21,613.7	22,327.8	21,749.9
Blouses, waists	3,832.9	3,969.4	4,324.7	4,258.2
Dresses	5,177.2	4,896.0	4,877.9	4,534.7
Suits & coats	3,403.6	3,759.7	3,942.6	4,288.9
Outerwear, n.e.c.	4,841.2	5,263.0	5,419.0	5,159.5
Foundations, etc.	713.8	715.3	740.7	666.7
Underwear (incl. children's)	2,502.6	2,525.3	2,507.7	2,356.3
Millinery	104.6	104.5	89.9	87.7
Furs (incl. men's)	377.4	380.5	425.3	397.9
Specified children's wear:				
Dresses & blouses	1,266.8	1,339.0	1,322.6	1,443.2
Coats & suits	166.5	197.9	203.5	211.4
Outerwear, n.e.c.	1,262.2	1,263.0	1,185.5	1,195.8

(continued)

VALUE OF PRODUCT SHIPMENTS

Value of Product Shipments: 1982-1985
(Millions of dollars)*
(continued)

	1985	1984	1983	1982
Men's, women's, children's, n.e.c.				
Fabric dress & work gloves	226.9	217.0	208.9	206.6
Robes & dressing gowns	421.2	443.6	432.1	416.0
Waterproof outergamrnets	329.9	409.4	445.4	429.7
Leather & sheeplined	146.5	189.0	206.2	207.3
Apparel belts	442.6	475.6	492.4	474.2
Apparel accessories, n.e.c.	304.1	301.6	248.2	243.2
Home Textiles**				
Curtains & draperies	1,268.2	1,249.0	1,058.6	1,008.3
Sheets, towels, etc., not made in weaving mills	3,905.4	3,668.3	3,596.4	3,299.3
Misc. textile products not made in textile mills	7,670.0	7,664.8	6,651.2	5,796.4

* In current dollars; not adjusted for inflation.
**Items made in knitting mills are not included.
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census: 1985 Annual Survey of Manufactures (M85(AS)-2).

PRICE TRENDS

Producer Prices (Factory Level)

Factory prices for textile products have been held down in many instances because of competition from lower-cost imports. With the devaluation of the dollar resulting in higher prices on imports from some areas, particularly Europe and Japan, a rise in prices of domestic goods, too, has been expected. Available data for 1987--through February--indicates the beginning of the expected upward trend.

Producer Price Indexes: Annual Averages 1984, 1985 & February 1986, 1987
(1967 average = 100, unless otherwise noted)

	February		% Change	Annual Average	
	1987	1986	1987/86	1985	1984
All industrial commodities	315.7	304.7	+ 3.6%	323.8	322.6
Textile products & apparel	211.8	210.8	+ 0.5	210.4	210.0
Selected textile/apparel:					
Synthetic fibers*	149.0	150.5	- 1.0	154.8	159.2
Processed yarns & threads*	140.0	139.9	+ 0.1	141.1	142.8
Gray fabrics*	150.0	151.5	- 1.0	151.7	153.7
Finished fabrics*	128.2	125.9	+ 1.8	126.3	126.7
Broadwovens*	143.5	139.7	+ 2.7	140.4	141.2
Knits*	109.4	108.3	+ 1.0	109.3	108.9
Apparel	207.4	205.7	+ 0.8	204.1	201.3
Women's wear	183.8	183.6	+ 0.1	182.3	179.4
Men's & boys' wear	236.4	232.2	+ 1.8	230.5	227.3
Girls', children's, infants	205.6	205.8	- 0.1	202.7	202.8
Home textiles	241.1	239.6	+ 0.6	240.0	238.9

* December 1975 average=100

Source: U.S. Bureau of Labor Statistics.

Import Prices (continued)

The U.S. import price index provides a direct measurement of the current rise in prices of imports. In the first quarter of 1987, the index for apparel rose 4.6%, posting its largest quarterly increase since 1977, when the Bureau of Labor Statistics started the price reports. The March 1987 index was 9.1% above the March 1986 level.

Imported textile prices rose 2.6% in the first quarter this year, while the March index was 5.8% over the March 1986 figure, according to the BLS. Prices are based on U.S. dollar prices paid by the U.S. importer.

U.S. Import Price Indexes for Textile & Apparel: March 1987

		Index		Percent Change	
	Index Base	March 1987	Dec. 1986	March 1987/86	December 1986/.87
Textiles*	6/77	138.8	135.3	+ 5.8%	+ 2.6%
Woven cotton fabric (cif)	6/77	128.4	124.1	+ 9.0	+ 3.5
Woven manmade fabric (cif)	9/78	141.5	136.1	+10.1	+ 4.0
Misc. woven fabric (cif)	6/77	137.5	134.2	+ 1.3	+ 2.5
Special textile fabrics & related products (cif)	9/77	150.1	147.9	+10.7	+ 1.5
Articles: chiefly textile (cif)	9/78	111.7	113.2	- 4.7	- 1.3
Apparel*	9/77	145.5	139.1	+ 9.1	+ 4.6
Selected types					
Outerwear: men's, boys' (cif)	6/77	143.2	138.8	+ 6.7	+ 3.2
Sweaters (cif)	6/77	159.6	159.2	+17.1	+ 0.3

cif cost, insurance, freight
* Includes items not separately listed

Source: U.S. Bureau of Labor Statistics.

Consumer Prices

For the year 1986, consumer prices for textile homefurnishings rose 1.0% over the 1985 average, according to the Bureau of Labor Statistics. The February 1987 index was up 2.9% compared with February 1986.

Apparel prices at the consumer level in 1986 averaged only 0.2% above 1985; however, March 1987 prices were 4.4% over the 1986 average.

FOREIGN TRADE

The strong build-up in imports of textile and apparel products, taking an ever-increasing share of the U.S. market each year since 1979 as well as overseas markets, has changed the domestic complex drastically, and industry observers feel that changes must still be faced if the components of the complex are to survive and compete in global markets. Much depends on the trade strategy to be followed by the government. However, future growth in demand for textiles and apparel is expected to be largely outside of the U.S., and developing nations, with low labor costs and government support, will move into these potential markets very rapidly, as well as continue to flood the U.S. market.

Ineffective administration of the Multi-Fiber Arrangement (MFA) is cited as one reason for the tremendous surge in imports and harm to the domestic textile and apparel industries. Another factor, of course, was the rise in the value of the U.S. dollar which made imports less expensive here. Despite the MFA, which contemplated a 6% annual rate of growth, imports (in terms of square yard equivalents) grew 30% in 1983, 32% in 1984, before falling to 7% in 1985; then rose again in 1986 to a gain of over 17%. The MFA was renewed in July 1986; however, enforcement remains a problem. Transshipments to evade quotas abound, frequently involving garments that come into the U.S. under the 807 agreement. Or documents falsely describing garments in order to get the lowest duty are used.

In 1986, Congress passed legislation designed to shield the U.S. industry but it was vetoed by the President. Now another textile/apparel act is pending, toning down the 1986 version, but limiting the growth in U.S. textile/apparel imports from all sources to only 1% per year. An amendment--the Gephardt amendment--requires retaliation against nations that maintain unwarranted trade surpluses with the U.S. if these can be traced to unfair practices. However, observers point out that the MFA and various bilateral agreements to which the U.S. is a party would stop the president from imposing tariffs or quotas. The House and Senate will be putting their bills together in conference committee in the summer of 1987; and a different bill may emerge, without the Gephardt amendment, which must then override, in all likelihood, a presidential veto in order to become effective.

Summary of U.S. Textile & Apparel Trade: Selected Years 1974-1986
(Millions of dollars)

	Textiles			Apparel		
Year	Imports*	Exports**	Trade Balance	Imports*	Exports**	Trade Balance
1974	$ 1,752	$ 1,795	+ 43	$ 2,517	$ 400	- 2,117
1978	2,400	2,225	- 175	6,108	677	- 5,431
1979	2,399	3,189	+ 790	6,291	931	- 5,630
1982	3,000	2,784	- 216	8,703	953	- 7,750
1984	4,874	2,382	-2,492	14,513	807	-13,706
1985	5,274	2,366	-2,908	16,056	755	-15,301
1986	6,151	2,570	-3,581	18,554	899	-17,655

* cif cost, insurance, freight
**fas free alongside ship

Source: Special Congressional Office of Technology Assessment report: The U.S. Textile & Apparel Industry (April 1987); U.S. Dept. of Commerce, FT-135, FT-140.

FOREIGN TRADE (continued)

Summary of General Imports & Exports of Textiles & Products; 1984-1985

(Quantity in thousands of pounds unless otherwise specified; value in millions of dollars)

	Quantity			Value (fas)* (cif)**		
	1986	1985	1984	1986	1985	1984
EXPORTS:						
Raw cotton, excl. waste & linters (thous. bales)	5,447	4,756	6,516	$ 773.3	$1,633.2	$2,441.4
Textile yarns, fabrics, made-up articles	--	--	--	2,570.0	2,366.1	2,381.8
Yarn & thread				572.6	627.6	546.7
Cotton fabrics (excl. narrow or special), woven				300.5	203.3	193.2
Manmade fiber fabrics (excl. narrow), woven (mil. SYD)	226.8	233.6	220.6	395.9	373.1	353.9
Misc. textile products, incl. floor coverings	--	--		443.5	419.5	467.1
Apparel, exc. footwear	--	--		899.1	754.4	807.3
Textile, sewing & leather machinery	--	--		553.9	498.3	519.6
IMPORTS (General)***						
Textile fibers, raw & their waste	--	--	--	386.1	376.6	416.8
Raw cotton other than linters	6,143	8,981	10,983	3.5	15.8	8.6
Jute, vegetable fibers	--	--	--	22.5	27.7	28.9
Wool, other animal hair	--	--	--	196.8	175.9	223.8
Textile yarns, fabrics, related products	--	--	--	6,150.8	5,274.2	4,874.1
Yarn & thread	443,626	352,785		736.1	573.7	558.4
Cotton fabric (excl. narrow), woven	--	--		1,064.1	892.0	934.6
Other woven fabrics (jute, wool, silk, etc.)	--	--		1,651.8	1,448.4	1,388.5
Apparel & accessories	--	--		18,554.0	16,055.9	14,512.8
Textile, sewing, leather machinery	--	--		1,502.2	2,885.8	1,336.4

Value of Exports & Imports For Consumption: 1984-1986

(Millions of dollars)

	Imports, CIF Value**			Exports, FAS Value*		
	1986	1985	1984	1986	1985	1984
Textile mill products	$4,410.1	$3,885.0	$ 3,723.7	$1,652.8	$1,461.5	$1,541.0
Apparel & other textile products	19,510.1	16,896.9	14,985.4	1,213.0	1,018.7	1,064.6

(footnotes continued)

(footnotes continued)

* Export value is fas (free alongside ship) the value at the U.S. port of export, based on the transaction price plus freight, insurance, and other charges involved in bringing the merchandise alongside the carrier at the U.S. port of exportation.

**cif This value includes the price paid (or payable) for merchandise plus freight, insurance, etc., incurred in bringing the merchandise to the first port of arrival in the U.S. Duties are not included.

***General imports include goods imported for immediate consumption in the U.S. plus entries into bonded warehouses and into U.S. Foreign Trade Zones.

Source: U.S. Bureau of the Census: Highlights of U.S. Export and Import Trade (FT 990).

In 1986, according to the American Textile Manufacturers Institute (ATMI), in yardage imports of textiles and apparel accounted for 48% of the U.S. market; for apparel and apparel fabrics, alone, import penetration reached a record 52%. Figures for imports' share in specific areas since 1974 have been reported as follows:

Imports Share of U.S. Market: Selected Years, 1974-1985

	Textiles	Apparel & Apparel Fabrics	Industrial & Home Furnishings Market
1974	15.6%	25.2%	5.1%
1979	15.2	25.5	4.4
1982	21.0	32.4	6.9
1983	25.2	37.9	10.7
1984	31.7	46.8	14.6
1985	33.2	48.0	16.4

Source: ATMI.

A special report issued by the Department of Commerce, International Trade Administration, (March 1986)--Import/Production Ratios* covered a 12-year trend in import penetration of cotton, wool and manmade fiber textile and apparel products (1972-1984). This report shows the import penetration by fiber content in specific types of apparel, home textiles, etc., based on pounds. Imports in relation to U.S. production range widely--quite low in the case of manmade fibers, but high on finished apparel items and other textile products.

The Textile Economics Bureau has compiled information on the share of the domestic apparel market accounted for by imports in each of three fiber types, as summarized below.

Percent of the U.S. Apparel Market Accounted For By Imports: 1981-1986
(Based on pounds of fiber consumed)

	1986(p)	1985	1984	1983	1982
Cotton	51.3%	51.0%	50.8%	43.0%	38.6%
Manmade fibers	44.1	42.3	38.2	28.5	25.9
Wool	60.0	68.0	54.6	45.5	46.8
3-fiber total	48.2	47.2	44.0	34.8	31.7

Source: Textile Economics Bureau, Textile Organon (April 1987).

FOREIGN TRADE (continued)

Additional information on imports has been included in the foregoing sections dealing with specific product categories. In addition, information on current developments in regard to foreign trade, and control of imports, has been discussed in the introduction on Current Trends.

A new Harmonized System of product nomenclature, if approved, will revamp the U.S. tariff structure by January 1, 1988. This is designed to make the country's tariff schedule conform to a worldwide system of classifying products by number as well as by name. Apparel importers are in opposition to the change, claiming that the changes could cost $30 million a year in extra duties. The American Apparel Manufacturers' Association supports the change, pointing out that $30 million is a very small figure in relation to the estimated $4 billion paid in duties last year on $17 billion worth of textiles and apparel.

In another move to fight imports, a provision in the House trade bill now under consideration is a section "Scofflaw Penalties", which is designed to crack down on importers--particularly large retailers--who are "multiple customs law offenders"--i.e. convicted of three Customs law violations over a period of seven years. These offenders would be barred from importing any merchandise for three years.

The fiber/textile/apparel complex has always had divergent interests and taken different stands, but this situation is aggravated under present competitive conditions. On one side, mustering efforts to fight imports, coalitions have combined in such efforts as Quick Response, Just in Time, and Crafted with Pride. The American Apparel Manufacturers Association (AAMA) has reaffirmed its intention to fight for import legislation, along with the American Textile Manufacturers Institute (ATMI).

On the other hand, firms within the apparel industry who are large importers (such as Levi Strauss), retailers and others who have an important stake in access to imports, are actively opposing legislation. According to a study by Emanuel Weintraub Associates (DNR, Dec. 8, 1986), imports account for from 35% to 45% of the apparel sold in the U.S. (over half in some categories). Virtually 50% of apparel imports, according to the study, is brought in directly by retailers; the other half by apparel producers/merchants.

A retailer-sponsored study, released in March by the Retail Industry Trade Action Coalition (RITAC) charge that the ability of retailers to respond to changing fashions would be severely impaired by the rigid quota system proposed by Congress. It was claimed that textile and apparel import prices rise an average 6.4%, while prices for domestically produced merchandise would increase 2%. In the first year, it was contended, consumer costs would increase about $8.1 billion for textiles and apparel (DNR, March 30, 1987).

Rising problems with quotas, costs, embargoed goods, delivery, and quality control, are in any event leading some importers to change their sources of supply, many of them turning back to domestic suppliers. Those who are ready with a reliable Quick Response program should benefit, as retailers are committed to their own private label programs, which require direct access to merchandise, whether domestic or foreign.

The 907 program, which allows U.S. manufacturers to export cut fabric duty-free for cheap reassembly, and duty paid only on the value added abroad when finished goods are brought back to the U.S., is said to be running into problems. Concern is growing that the Caribbean Basin Initiative is being used by some importers as a cover to bring in apparel made from non-U.S. fabric.

TEXTILE MACHINERY & EQUIPMENT

Industry Trends

The U.S. Textile Machinery Industry: 1984-1987

	1987(f)	1986(e)	1985(e)	1984	% Change 1986/85
Industry employment, total (000)	--	15.5	16.5	17.7	- 6.1%
Production workers	--	10.2	10.8	11.9	- 5.6
Product shipments (mil. $)*					
Current $	--	$939	$952	$980	- 1.4
Constant (1982$)	$853	853	879	915	- 3.0
Value of imports (mil. $ cif)	1,030	896	663	828	+35.1
Import/new supply ratio**	0.519	0.488	0.411	0.458	
Value of exports (mil. $ fas)	305	277	236	243	+17.4

(f) forecast
(e) estimated
* Value of machinery and equipment manufactured by all producers, regardless of industry classification.
**New supply is the sum of product shipments plus imports.

Source: U.S. Department of Commerce, International Trade Administration: 1987 U.S. Industrial Outlook.

The U.S. textile industry represents the largest single textile machinery market in the world; yet U.S. manufacturers are rapidly losing this market to foreign suppliers. By 1982, according to a special Congressional committee report, domestic suppliers held a share of only 49% of the domestic market for textile machinery, down from 55% in 1979; 93% in 1960. In view of the rapid rise in imports noted above, this share is now below 45%.

In recent years, U.S. textile and apparel manufacturers have tended to limit their purchases from domestic suppliers to parts, materials handling equipment, and less sophisticated machinery. Only one out of four U.S. textile machinery firms even make complete machines at the present time, according to a Department of Commerce study; and mills look to suppliers in West Germany, Switzerland, Italy, France, Japan and Great Britain for the high-technology textile systems needed to survive in today's competitive market.

Multinationals are beginning to dominate textile machinery manufacturing, garnering market share through emphasis on R&D investment, and on service. The U.S. industry has not kept pace with the high-technology advances being developed and introduced by foreign competitors, and have not put enough effort into research and development, according to the American Textile Machinery Association (ATMA). On the other hand, foreign manufacturers have been quick to take advantage of basic research done in the U.S.

There is some debate on whether the revitalization of U.S. textile machinery should be within a separate industry or within the textile mills. However, all generally agree that it is a crucial element in the survival and well-being of the U.S. textile/apparel complex. Imported machinery is costing more now due to the devaluation of the dollar. This may help U.S. machinery producers if they can supply the needed products.

TEXTILE MACHINERY & EQUIPMENT (continued)

In one area, the U.S. is still a major producer: dyeing and finishing equipment. The U.S. also exports a considerable quantity of high- and low-tech textile equipment and supplies--equal to 16% of domestic production. Spare parts for machinery make up the major share of U.S. exports in the textile machinery category.

Canada is the largest single customer for U.S. textile machinery and equipment, accounting for about 14% of total exports. Other leading markets are India (12.3% in 1986); Mexico (11.2%), and the United Kingdom (6.7%).

A special survey among U.S. textile mills to determine the type and quantity of machinery in place was conducted by the Census Bureau in 1983. The results indicated a trend toward faster, more efficient machinery, and this has accelerated among the big mills since 1983.

The 1983 study showed ring spindles down from 17,182,204 in 1978 to 14,760,961 in 1982, while ringless spindles in place increased from 153,778 in 1978 to 316,196 in 1983. Shuttle-type and broad fabric weaving looms decreased from 261,904 in 1978 to 137,392 looms in 1983, while the faster shuttleless type looms increased from 34,217 to 53,798 in the same period.

Changes in fashion were noted in the data on knitting machines. Double knit machines in place decreased from 8,266 in 1978 to 3,377 in 1983. In the same period, circular spring needle machines which produce the cloth for sweat shirts and some jogging suits, among other things, increased from 2,423 to 4,796.

In the apparel industry, automation is looked upon as the only weapon an industrialized nation can utilize to counter imports from low labor cost countries. Research projects are now underway in the U.S., as well as in Europe and Japan, which are demonstrating the technical feasibility of automating apparel production processes--from design to cutting, assembling and sewing.

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD APPLIANCES, ELECTRIC HOUSEWARES, HOME ENTERTAINMENT PRODUCTS: Covers a broad range of products included in these three classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market. Departmental merchandising and operating results in department stores and in men's wear stores are covered.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS (A Fact File Special Edition): Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specific products; concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics on sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

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WOMEN'S COATS, SUITS, RAINWEAR, AND FURS: Data from the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women. Also covers sales estimates and operating results in department and specialty store.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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K87-C3400-1.102-4

Women's Coats, Suits, Tailored Career Wear, Rainwear and Furs

FAIRCHILD FACT FILE

Prepared by
Market Research Division
Audrey S. Balchen, Director
Gregory Becker, Research Analyst

Distributed through
Book Division
Fairchild Publications
Division of Capital Cities Media, Inc.
New York

WOMEN'S COATS, SUITS, TAILORED CAREER WEAR (UNIFORMS), RAINWEAR, FURS

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Standard Book Number: 87005-591-7

Printed in the United States of America

WOMEN'S COATS, SUITS, TAILORED CAREER WEAR (UNIFORMS), RAINWEAR

Market Trends

Activity in the U.S. industry producing tailored wear continued to decline in 1986 and early 1987, while the overall quantity and value of imports rose sharply-up 27% and 34%, respectively, last year compared with 1985. The value of domestic producers' shipments of tailored wear for women, misses and juniors, including raincoats, was reported at $3.0 billion for 1986, down 3% compared with 1985.

Shipments of women's skirt suits (including uniforms) continued to decline, with values down 5.3% compared with 1985. Skirt suit cuttings were off by 41%. However, there was a pickup in pantsuits and skirts; last year pantsuits reported a 47% gain in value of shipments as well as a 63% gain in production. Skirt production saw only a 2% production increase but value of shipments rose 4.1%. Women seemed to be turning to pantsuits and skirts as an alternative to skirt suits.

Of course, to an increasing extent imports are impinging on the tailored wear market. In a Census Bureau compiled overview of the new supply of tailored apparel for women and children, imports' share ranged from 45% of the total quantity of skirts available to the market last year to 48% of the suits, and 64% of coats and jackets. Comparable figures in 1985 were 33%, 59%, and 36%, respectively.

In April 1987, overall production worker employment, in women's outerwear plants in the U.S. held at about the 1986 level, yet suit and coat production worker employment saw a 4.6% decline. All the gain was in activewear, casual wear items and washable service apparel. For the year 1986, production worker employment in U.S. plants making women's tailored wear averaged 35,900 which was 24% below the 1983 average.

Based on consumer expenditure data compiled by the U.S. Bureau of Labor Statistics, spending for women's coats and jackets in 1985, including raincoats, is estimated at about $5.0 billion; suits and skirts, about $3.8 billion. Fashion excitement which generates sales is not as great a factor in tailored wear as in dresses and casual/sportswear. However, for the coming season attention will be focused on shorter skirt lengths-shortened to a rather drastic extent compared with lengths favored in the past few years. The extent to which the new lengths catch on, particularly in the junior and contemporary markets, will outline the trend in sales, particularly Fall/Winter.

Tailored uniforms for women is a bright spot in the industry's future, as more women gravitate into traditionally men's wear occupations; such as the military, where uniforms are required. This is also due to more companies deciding to give their employees dealing with the public a distinctive appearance through the wearing of a uniform.

Of major concern to the industry, in addition to the growth in imports, is the skyrocketing cost of materials. World wool prices are reaching record levels due to global demand which is outstripping supply. Cotton and manmade fibers, used to a large extent in blended fabrics for tailored wear, are also rising sharply in price.

Imports from Europe and Japan, in particular, have become more expensive since the dollar was devalued in relation to those currencies. This is also spreading to Taiwan and other Far Eastern currencies. It is hoped that the domestic industry can benefit by becoming more competitive and pricewise, within the domestic market and in foreign markets for U.S. apparel.

Market Trends (continued)

The retail market for fur coats and accessories continues to grow, (along with increases in women's disposable income), and is expected to reach a value of $2 million this year.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The U.S. Bureau of the Census provides basic information on U.S. manufacturing activity from two approaches: first, information on establishments (plants) classified in specific industries based on primary activity and defined under the Standard Industrial Classification (SIC) system; second, on a product basis, covering production and shipments of specific products made by all U.S. producers, regardless of the producer's SIC classification based on primary product.

Information in the greatest detail is provided by the Bureau every five years, in the complete census of manufactures, of which the most recent covered operations in 1982. In intercensal years, the Census Bureau compiles annual surveys of manufactures in order to develop estimates on key measurements of manufacturing activity.

The following tables summarize selected statistics compiled by the Bureau at the SIC industry level. (Product information, based on reports from all producers, is covered under appropriate headings on subsequent pages.)

Women's & Misses Suits and Coats (SIC 2337*)

	1985	1984	1982	% Change 1985/1984
Number of companies	na	na	1,431	na
Number of establishments, total**	na	1,204	1,512	na
Number with 20 or more employees	na	682	900	na
Employees, total (thous.)	52.9	63.8	78.2	- 17.1%
Production workers (thous.)	43.6	52.5	63.2	- 17.0
Payroll (mil. $)	$ 658.8	$ 758.4	871.1	- 13.1
Value added by manufacture # (mil. $)	1,630.6	1,872.6	2,067.1	- 12.9
Value of industry shipments ## (mil. $)	3,752.1	4,238.5	4,886.7	- 11.5
Capital expenditures,. new (mil. $)	23.2	35.4	30.5	- 34.5
Machinery & equipment	na	na	23.4	--

Rainwear/Waterproof Outer Garment Industry (SIC 2385*)
(Men's, Women's, Children's)

	1985	1984	1982	% Change 1985/1984
Number of companies	na	na	98	na
Number of establishments, total**	na	102	112	na
Number with 20 or more employees	na	74	76	na
Employees, total (thous.)	8.3	9.1	9.3	- 8.8%
Production workers (thous.)	7.3	7.9	8.0	- 7.6
Payroll (mil. $)	$ 95.6	$ 107.6	101.1	- 11.2
Value added by manufacture # (mil. $)	182.9	241.7	246.0	- 24.3
Value of industry shipments ## (mil. $)	386.1	439.3	449.2	- 12.1
Capital expenditures, new (mil. $)	5.0	4.0	4.6	+ 25.0
Machinery & equipment	na	na	3.0	--

na not available

(footnotes continued)

GENERAL INDUSTRY STATISTICS

* SIC Industry Definitions:

2337 Establishments primarily engaged in manufacturing women's, misses' and juniors' suits, pantsuits, skirts, jackets, uniforms (except athletic or washable service apparel), coats (except fur coats and raincoats). These garments are generally tailored and usually lined.

2385 Establishments primarily engaged in manufacturing raincoats from purchased rubberized fabrics and other materials. Also included are plants manufacturing other waterproof outer garments made from purchased materials. Included are products for men, women, and children.

** Covers manufacturing establishments (plants) only, and each location is separately counted. Not included are separate auxiliary locations serving plants (i.e. administrative offices, purchasing, sales offices, etc.). The establishment count for 1984 is from the Census Bureau's County Business Patterns.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished goods inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of industry shipments (as distinct from "product shipments") includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in these industries. The value of shipments of specified garments by all producers, (product shipments), including manufactures classified in other industries, are covered on page 17. (Interplant transfers are included in both measurements).

Source: U.S. Bureau of the Census:
1982 Census of Manufactures;
1985, 1984 Annual Survey of Manufactures.

Based on data compiled by the Census Bureau, annual projections on industry and product shipments in terms of a constant dollar value to eliminate the effects of inflation are compiled for a limited number of apparel classifications by the International Trade Administration (ITA). A real gain of just under 2% was estimated for 1986 compared with 1985 in women's suit and coat industry shipments, following a 5.1% decline in 1985 from 1984, according to the latest ITA report.

Constant Dollar Value of Women's Suit & Coat Industry Shipments:
1984-1986 & Growth Rates
(Value in 1982 Dollars)

1986(e)	1985(e)	1984	Compound Annual Growth Rate 1972-1984	Compound Annual Growth Rate 1979-1984
$4,007	$3,929	$4,140	+ 4.3%	+ 2.9%

(e) estimated

Source: International Trade Administration; U.S. Dept. of Commerce: 1987 U.S. Industrial Outlook.

GENERAL INDUSTRY STATISTICS

The 1982 census reports on the classification of plants in the apparel industry include three major types of establishments: (1) regular or inside factories, known as "manufacturers", (2) apparel "jobbers", and (3) outside or contract factories, the "contractors."

The "manufacturer" performs all manufacturing functions, from purchases of fabric through finished garment. The "jobber" primarily performs entrepreneurial functions, such as buying materials, designing and preparing samples, arranging with outside factories (contractors) for the manufacture of his garment from his product. A number of jobbers, however, do maintain the cutting operation within their own establishments. The remainder of the manufacturing process is done by contractors. The "contractor" makes products for others to specification, and is not involved in the sale of the finished garment.

The 1982 census reports included the following detail on women's suit/coat industry plants:

	Total*	Manufacturers	Jobbers	Contractors
No. of plants	1,512	306	352	853
Employment, total (000)	78.2	16.5	16.9	44.7
Production workers	63.2	13.2	8.9	41.1
Value added by mfr. (mil. $)	2,067	392	1,142	531
Value of shipments (mil. $)	4,887	803	3,377	702

*Includes information on small plants not reported in data by type of operation detailed above.

The number of plants primarily producing women's coats, suits, etc., dropped to 1,204 in 1984, from 1,512 in 1982. In 1977, there were 1,677; in 1972, 1,618; and in 1967, 2101. A change in fashion and lifestyles, promoting a preference for casual dress, and the impact of imports, have caused a continued decline in domestic activity in the coat and suit industry. Contractors have been particularly affected by imports; including 807 operations (whereby U.S. suppliers can obtain merchandise from abroad, paying only duty on the value added overseas, if the garments are made from U.S. fabrics). The prospect of higher labor costs when new federal laws affecting illegal immigrants become effective, as well as the prospect of a higher minimum wage rate, carry implications of further declines in the number of plants in the U.S. industry.

Until recent months, the value of the U.S. dollar had declined mainly in relation to the currencies of Great Britain, France, West Germany and Japan. Now, however, some major apparel suppliers (Taiwan and South Korea) are showing stronger currencies. These developments, plus others, may turn the tide of imports which have caused so many smaller U.S. plants to fail, and larger companies to consolidate their operations to meet competition from lower-priced imports. In addition to the rising cost of imports, quota restrictions are being tightened and U.S. industry has mounted campaigns to promote domestic products to the trade and to the consumer.

GENERAL INDUSTRY STATISTICS

According to the 1982 Census, there were 1,431 companies in the U.S. which operated plants primarily producing women's coats, suits, uniforms, etc. This compares with 1,563 companies reported in 1977; 1,548 in 1972; 2,058 in 1967. Many companies operate plants in more than one industry classification. According to the Census Bureau's 1982 Enterprise Statistics report, which classified companies by their primary product, there were 1,380 companies primarily producing women's tailored wear (coats, suits, jackets, skirts, and uniforms). Out of these 1,380 only 1,329 were in that product classification. The remaining 51 (although primarily in women's coats, suits etc.) were multi-industry companies.

Industry Concentration

Information on concentration of industry activity at the company and at the plant level is reported by the Census Bureau in special reports. These reports are based on the complete censuses of manufacturers compiled every five years.

Women's apparel manufacturers are primarily small operations in a labor-intensive industry. However, competitive conditions are making it harder for small operations to survive. The larger companies continue to expand, consolidating plants and modernizing production equipment for more efficient operations.

In 1982, of the 1,380 companies engaged primarily in the manufacture of women's coats, suits, uniforms, jackets and skirts, six had 1,000 or more employees. These six companies accounted for 18% of total employment in this classification, and 19.2% of total sales and receipts--$861.2 million, out of a total of $4,4723.2 million.

Company Statistics By Employment Size: 1982

	Companies (number)	Employees (number)	Annual Payroll (mil. $)	Sales & Receipts (mil. $)
All companies (primarily producing women's coats, suits & related tailored wear)	1,380	81,882	$ 926.4	$4,473.2
Employment size:				
Under 50	981	17,971	212.0	1,137.0
50 to 249	353	33,186	351.5	1,311.5
250 to 999	40	15,921	193.1	1,163.5
1000 or more	6	14,804	169.8	861.2

Source: U.S. Bureau of the Census:
1982 Census of Manufactures.

Of the 1,432 companies operating any plants making women's coats, suits and related wear (regardless of the companies primary product), most were single units operating within the one industry classification. However, 123 companies with more than one plant (8.6% of the total) accounted for 53% of industry shipments. In the rainwear/waterproof garment industry, 31 multi-plant companies (32% of the total) accounted for 69% of industry shipments, according to the 1982 census of manufactures.

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

The 50 largest companies in suit and coat manufacturing increased their share of industry shipments from 40% in 1972 to 55% in 1982. The top 50 rainwear/waterproof garment manufacturers increased their share of industry shipments from 79% in 1972 to 97% in 1982.

While large companies are increasing their share of the value of industry shipments, measured in real terms (in constant dollars) the domestic industry's shipments have not grown. As previously noted, the ITA estimated value of women's suit/coat industry shipments in 1986 was below the value in 1984 when measured in 1982 dollars, and was only slightly above 1985.

Manufacturers have expressed concern over the rapid decline in their industry's manufacturing facilities, as well as the quality of those remaining. Makers cite flexibility as their main strength against foreign goods, but with the decline in the number of plants, the ability to change quickly to capture changing fashion trends is diminishing.

Single & Multiunit Companies' Share of Shipments: 1982

		Plants		Employees		Value of Industry Shipments	
	Companies	No.	%	Thous.	%	Thous. $	%
Women's & misses' suits & coats	1,432	1,512	100.0%	78.2	100.0%	$4,830.4	100.0%
Multiunit companies	123	203	13.4	27.4	35.0	2,562.1	53.0
Single unit companies	1,309	1,309	86.6	50.8	65.0	2,324.6	47.0
Waterproof outergarments	98	112	100.0%	9.3	100.0%	449.2	100.0%
Multiunit companies	31	45	40.2	6.3	67.7	312.3	69.3
Single unit companies	67	67	59.8	3.0	32.3	136.9	30.5

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, Type of Organization, Subject Series MC82-S-5.

Share of Value of Industry Shipments Accounted For By Largest Companies

			Value of Industry Shipments*			
			% accounted for by largest companies:			
Industry	No. of Companies	Total (mil. $)	4 largest	8 largest	20 largest	50 largest
Women's & misses' suits & coats						
1982	1,432	$4,886.7	19%	28%	40%	55%
1977	1,558	2,912.9	15	20	31	45
1972	1,548	1,805.3	13	18	26	40
Waterproof outer garments						
1982	98	449.2	49	64	84%	97
1977	157	348.8	41	52	70	90
1972	236	332.1	31	40	56	79

* For an explanation of terms, see page 3.

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, Concentration Ratios in Manufacturing MC82-S-7.

Industry Concentration (continued)

Number of Companies With Shipments of Specified Products Valued at $100,000 or More: 1982, 1977

	1982	1977
Women's, misses', juniors'		
Coats (except fur, leather & raincoats)	183	250
Skirts & jackets	669	na

na not available

Source: U.S. Bureau of the Census: 1982 Census of Manufactures (MC82-1-23B).

Another view of industry concentration is at the plant level, based on employment size, in contrast with company totals. As noted in the following table, about 13% of the plants making suits, coats, etc., had 50 or more employees. These plants accounted for over 51% of the value added by manufacture in 1982 and over half of the value of industry shipments.

Concentration of Women's Suit & Coat Industry Plants By Employment Size: 1982

	Establishments		Value Added By Manufacture*		Industry Shipments*	
	Number	%	(Mil. $)	%	(Mil. $)	%
Women's & misses' suits & coat industry, U.S. total	1,512	100.0%	$2,067.1	100.0%	$4,886.7	100.0%
By establishment (plant) size:						
Under 20 employees	612	40.5	183.3	8.9	520.4	10.6
20-49 employees	432	28.6	294.8	14.3	748.9	15.3
50-99 employees	274	18.1	532.0	25.7	1,142.2	23.4
100 or more employees	194	12.8	1,057.0	51.1	2,475.1	50.6
Waterproof outergarments U.S. total	112	100.0%	246.0	100.0%	$ 449.2	100.0%
By establishment (plant) size:						
Under 20 employees	36	32.1	(D)	na	(D)	na
20-49 employees	34	30.4	31.0	12.6	69.2	15.4
50-99 employees	18	16.1	38.2	15.5	94.1	20.9
100 or more employees	24	21.4	(D)	na	(D)	na

na not available
(D) Withheld to avoid disclosure
* For an explanation of terms see page 3.

Source: U.S. Bureau of the Census: 1982 Census of Manufactures.

Industry Concentration (continued)

As previously noted, over half (56.4%) of the plants making women's coats, suits and related wear were operated by contractors, according to the 1982 census of manufactures. In 1977, 54.8% of the 1,672 plants were classified as contractors. A good share of contractors are small sewing shops, operating in lofts or small quarters with non-unionized employees. Many of the employees are newly arrived immigrants, particularly from the Far East and Latin America. This labor supply will be affected by the impending enforcement of the new federal immigration law, contributing to a continuing decline in the number of small plants.

Employment of Plants in the Women's Suit & Coat Industry & Rainwear Industry By Type of Operation: 1982

	Manufacturers		Jobbers		Contractors	
Women's suits & coats:	Number	%	Number	%	Number	%
Plants, total	306	100.0%	352	100.0%	853	100.0%
Number of employees:						
1 - 19	150	49.0	200	56.8	261	30.6
20 - 99	111	36.2	112	31.8	483	56.6
100 or more	45	14.7	40	11.4	109	12.8
Rainwear						
Plants, total	44	100.0%	23	100.0%	45	100.0%
Number of employees:						
1 - 19	14	31.8	9	39.1	13	28.9
20 - 99	16	36.4	13	56.5	23	51.1
100 or more	14	31.8	1	4.3	9	20.0

In addition to the 1982 census of manufactures information covered above, the Census Bureau issues annual figures on the number of establishments (plants) by employment size. The latest available report covers the year 1984. A decline of almost 22% in the number of plants classified in the industry since 1980 was reported, with most of the decline among plants with fewer than 20 employees.

Number of Women's Suit & Coat Manufacturing Plants By Employment Size: 1983, 1984

	1984		1983	
	Number	%	Number	%
Women's & misses' suits & coats	1,204	100.0%	1,297	100.0%
By establishment size:				
Under 20 employees	509	42.3	545	42.0
20 - 49 employees	294	24.4	350	27.0
50 - 99 employees	215	17.9	230	17.7
100 or more employees	172	14.3	172	13.3

Source: U.S. Bureau of the Census: County Business Patterns 1983, 1984.

GENERAL INDUSTRY STATISTICS

Operating Ratios

Selected Industry Operating Ratios: Selected Years, 1972-1982

	Women's Suits & Coats			
	1982	1980	1977	1972
Payroll per employee	$11,139	$ 9,359	$ 7,719	$ 5,885
Production workers:				
% of total employment	81	87	86	86
Annual hours	1,991	1,704	1,698	1,800
Av. hourly earnings	$ 4.60	$ 4.47	$ 3.80	$ 2.77
Cost of materials as % of value of shipments	57	50	51	54
Cost of materials & payroll as % of value of shipments	75	73	73	79
Value added per employee	$26,434	$20,768	$16,867	$11,065
Payroll as % of value added	42	45	46	53
Value added per production worker hours	$ 16.43	$ 14.08	$ 11.59	$ 7.19

	Rainwear/Waterproof Outer Garments			
	1982	1980	1977	1972
Payroll per employee	$10,871	$ 9,053	$ 7,450	$ 5,610
Production workers:				
% of total employment	86	87	84	86
Annual hours	1,737	1,673	1,772	1,780
Av. hourly earnings	$ 5.36	$ 4.85	$ 3.44	$ 2.66
Cost of materials as % of value of shipments	46	43	45	50
Cost of materials & payroll as % of value of shipments	68	71	71	76
Value added per employee	$26,452	$19,177	$16,200	$10,961
Payroll as % of value added	41	47	46	51
Value added per production worker hours	$ 17.70	$ 13.21	$ 10.86	$ 7.18

Note: Values are in current dollars.

Source: U.S. Bureau of the Census.

Employment & Earnings

As evidenced in previously reported data on plant counts, employment in the women's suit and coat industry in the U.S. has been in a steady decline for many years. In 1973, according to the Bureau of Labor Statistics, there were 64,500 production workers in the industry. This dropped to 57,100 in 1980, and continued to register annual decreases. The total reached an average 35,900 in 1986-37% below the 1980 total. Total employment was off 33.1% in the same period, dropping from 65,600 in 1980 to 43,900 in 1986.

Changes in fashion tastes, plant closings and consolidations due to increased sourcing overseas of finished coats and suits, and imports under the provisions of item 807 of the Tariff Schedule, and the adoption of labor-saving machinery and equipment have all contributed to this decline.

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Through the complete censuses of manufactures and the annual surveys, the Census Bureau has also compiled information on employment as well as total payrolls in plants classified by SIC code. The employment counts differs somewhat from the annual averages compiled by the Bureau of Labor Statistics due to differences in methodology.

Fluctuations in employment levels in the coat and suit industry are noted in Census Bureau reports covering the years since 1967. Peak employment for the industry was in 1977, when almost 85,000 employees were in women's suit/coat plants, compared with 83,800 in 1967. Payrolls (current dollars) in the industry soared to $659 million in 1985 compared with $423.3 million in 1967; but were not much above the $655.3 million level of 1977.

Employment in plants producing men's, women's and children's rainwear and other waterproof garments has registered a very sharp drop, according to the Census Bureau. From a high of 23,300 in 1967, the number of employees dwindled to 15,000 by 1973 and stood at 8,300 in 1985.

Total payrolls in this industry amounted to $95,600 in 1985, only slightly above the 1977 current dollar total of $95.3 million.

Trends in Employment and Earnings in the Suit & Coat Industry:
1983 - 1986, April 1986, 1987
(Annual average except where noted)

		Production of Workers			
	Total Employment (thous.)	Employment (thous.)	Average Weekly Earnings	Average Hourly Earnings	Average Weekly Hours
April Average					
1987	41.0	33.1	$216.41	$ 6.46	33.5
1986	42.4	34.7	221.71	6.54	33.9
Annual Average					
1986	43.9	35.9	$224.35	6.41	35.0
1985	44.5	36.7	220.59	6.45	34.2
1984	51.4	42.4	211.01	6.17	34.2
1983	55.9	47.1	202.30	5.95	34.0

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

Industry Location

Industry Statistics For Leading States: 1982

	All Plants		Employees		Value added By Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Women's & misses' suits & coats,						
U.S. total	1,512	900	78.2	100.0%	$2,067.1	100.0%
Leading states:						
New York	547	250	17.9	22.9	588.5	28.5
California	171	85	6.7	8.6	309.8	15.0
New Jersey	231	156	10.7	13.7	280.8	13.6
Massachusetts	126	92	7.9	10.1	189.9	9.2
Pennsylvania	82	67	6.2	7.9	164.5	8.0
Waterproof outergarments,						
U.S. total	112	76	9.3	100.0	246.0	449.2
Leading states						
New York	24	16	0.6	6.5	23.3	62.9
Massachusetts	12	9	1.5	16.1	22.4	32.7
New Jersey	9	6	0.5	5.4	11.9	23.4
Georgia	6	5	0.4	4.3	7.9	14.6
Florida	5	5	0.2	2.2	5.4	6.4

Source: U.S. Bureau of the Census; *1982 Census of Manufactures*.

PRODUCTION

The U.S. Bureau of the Census compiles quarterly and annual reports on production of women's apparel by U.S. producers. This includes garments cut or knit within the U.S. from material owned by the reporting company or by others on its account. In addition, apparel cut in the U.S. using domestic fabrics, which is then sent to Caribbean-basin countries to be assembled and sewn, then shipped back to the U.S. under the 807 provision of the Tariff Schedule, are included. The figures are compiled through mail surveys among all known manufacturers and jobbers, except very small firms (generally less than five employees).

Unit production of almost every measured type of tailored wear decreased in 1986, but increases were reported for pantsuits and skirts. Production of coats, overall, fell 41.2%--primarily due to a drastic (80.0% decline in down and feather-filled coats. Production of vests fell by 48.1% during the same period. Raincoat production was off by more than 25%.

Total domestic supply increased in both suits and coats, as well as skirts, as imports more than compensated for the decline in domestic output.

PRODUCTION

Summary of Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel: 1982, 1985, 1986
(Thousands of units)

	1986	1985	1982	% Change 1986/85
Suits, total	10,841	12,284	13,812	- 11.7%
Pantsuits	5,670	3,483	4,463	+ 62.7
All other suits, incl. uniform	5,171	8,801	9,049	- 41.2
Coats, total				
Down & fiber filled coats, jackets & vests	104	522		- 80.2
All other coats, except fur, all leather and rain	10,633	10,680	12,366	- 0.4
Jackets, total (including uniform)	24,301	25,540	40,164	- 4.9
Separate tailored suit-type	21,945	22,789	36,648	- 3.7
All other, except ski	2,356	2,751	3,516	- 14.4
Vests (except sweater vests)	420	809	2,448	- 48.1
Raincoats	3,071	4,129	4,884	- 25.6
Skirts	96,983	95,379	105,012	+ 1.7

Source: U.S. Bureau of the Census,
Current Industrial Reports;
Women's & Children's Outerwear-1986 MA23F(86)-1.

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel Total & By Construction/Fabric Type: 1982, 1985, 1986
(Thousands of units)

	1986	1985	1982	% Change 1986/85
Suits (including uniform)	10,841	12,284	13,812	- 11.7%
Pantsuits	5,670	3,483	4,463	+ 62.7
Woven fabric:				
All cotton and chiefly cotton	629			
All manmade and chiefly manmade	1,039			
All wool and chiefly wool	276			
All other fabric	302	3,483	4,763	+ 62.7
Knit fabric:				
All cotton and chiefly cotton	186			
All manmade and chiefly manmade	2,216			
All wool and chiefly wool	305			
All other fabric Fabric n.s.k.	447			

(continued)

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel Total & By Construction/Fabric Type, 1982, 1985, 1986

(Thousands of units)
(continued)

	1986	1985	1982	% Change 1986/85
Suits except pantsuits (including uniform	5,171	8,801	9,049	- 41.2%
Knit fabric:				
All cotton and chiefly cotton	--			
All manmade and chiefly manmade	(D)			
All wool and chiefly wool	--			
All other fabric	(D)	8,801	9,049	- 41.2
Woven fabric:				
All cotton and chiefly cotton	588			
Manmade/wool blends, chiefly manmade	691			
All manmade & chiefly manmade, except manmade wool blends	709			
All wool & chiefly wool	1,577			
All other fabric	1,602			
Fabric n.s.k.				
Coats & capes, excluding down or feather-filled, fur, all-leather and raincoats	10,633	10,680	12,366	- 0.4%
All cotton and chiefly cotton	219	171	114	+ 28.1
Manmade/wool blends, chiefly manmade	779	(D)		na
All manmade & chiefly manmade, except manmade wool blends	3,215	3,798	5,000	- 15.4
All wool & chiefly wool	6,098	6,211	6,056	- 1.8
All other fabric	172	(D)	39	na
Fabric n.s.k.	150	303	1,157	- 50.5
Down and feather-filled coats, jackets & vests	104	522	na	- 80.1
All cotton & chiefly cotton	54	57	na	- 10.5
All manmade & chiefly manmade	48	450	na	- 89.3
All wool & chiefly wool	--	--	na	na
All other fabric	--	--	na	na
Fabric n.s.k.	2	15	na	- 86.7
Jackets	24,301	25,540	40,164	- 4.9
Separate tailored suit type jackets	21,945	22,789	36,648	- 3.7
Woven fabric:				
All cotton and chiefly cotton	2,509			
Manmade/wool blends, chiefly manmade	2,906			
All manmade & chiefly manmade, except manmade wool blends	6,419			
All wool & chiefly wool	3,196			
All other fabric	269	22,789	36,648	- 3.7
Knit fabric:				
All cotton & chiefly cotton	(D)			
All manmade & chiefly manmade	4,194			
All wool & chiefly wool	406			
All other fabric	(D)			
Fabric n.s.k.	1,916			

(continued)

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel
Total & By Construction/Fabric Type, 1982, 1985, 1986

(Thousands of units)
(continued)

	1986	1985	1982	% Change 1986/85
Nontailored outer jackets (excluding ski)	2,356	2,751	3,516	- 7.8%
Woven fabric:				
All cotton and chiefly cotton	819			
All manmade and chiefly manmade	594			
All wool and chiefly wool	(D)			
All other fabric	50	2,751	3,516	- 7.8
Knit fabric:				
All cotton and chiefly cotton	(D)			
All manmade and chiefly manmade	264			
All wool and chiefly wool	(D)			
All other fabric	(D)			
Fabric n.s.k.	390			
Vests (excluding sweater vests and coat vests)	420	809	2,448	- 48.1
By construction:				
Woven fabric	164	403	648	- 59.3
Knit fabric	156	232	1,512	- 32.8
Construction, n.s.k.	100	174	288	- 42.5
By fabric:				
All cotton & chiefly cotton	37	214	420	- 82.7
All manmade & chiefly manmade	229	311	123	- 26.4
All wool ~~& chie~~fly wool	52	145		- 64.1
All other fabric	102	139	168	- 26.6
Fabric n.s.k.				
Raincoats	3,071	4,129	4,884	- 25.6
All cotton & chiefly cotton	(D)	(D)		na
All manmade & chiefly manmade	1,428	3,036	4,884	- 53.0
All other fabric, including plastic and rubberized	1,163	681		+ 70.8
Fabric n.s.k.	(D)	(D)		na
Skirts	96,983	95,379	105,012	+ 1.7
Woven fabric				
All cotton & chiefly cotton	25,878			
Manmade/wool blends, chiefly manmade	9,172			
All manmade and chiefly manmade except manmade/wool blends	30,388			
All wool & chiefly wool	7,328			
All other fabric	2,943	95,379	105,012	+ 1.7
Knit fabric				
All cotton & chiefly cotton	1,579			
Manmade/wool blends, chiefly manmade	862			
All manmade and chiefly manmade except manmade/wool blends	6,603			
All wool & chiefly wool	362			
All other fabric	186			
Fabric n.s.k.				

(footnotes continued)

PRODUCTION

(D) Withheld to avoid disclosure of individual company figures.

NOTE: Information on women's slacks/pants-which are made in the Women's Outerwear, N.E.C. Industry (SIC 2339)is covered in the CASUAL WEAR, SEPARATES FACT FILE.

Source: U.S. Bureau of the Census,
Current Industrial Reports:
Women's & Children's Outerwear, 1986 (MA23F(86)-1.

Seasonality in Production

Percent of Reported Cuttings by Month: 1985, 1986

	Coats, exc. Raincoats		Suits, incl. Pants Suits		Skirts		Tailored separate jackets (blazers)	
	1986	1985	1986	1985	1986	1985	1986	1985
Total	100.0%	100.0%	na	100.0%	100.0%	100.0%	100.0%	100.0%
January	5.0	3.8		6.7	9.7	9.2	8.7	9.2
February	5.7	3.7		6.7	9.7	8.7	7.9	8.1
March	6.9	4.9		7.0	10.2	8.5	11.2	8.3
April	7.7	6.9		6.7	9.5	8.1	8.4	8.4
May	6.9	8.7		7.8	8.3	8.4	9.2	7.8
June	10.0	11.6		7.3	8.4	7.6	8.7	7.7
July	9.6	10.7		7.0	8.0	7.9	7.7	7.8
August	10.8	13.0		8.1	7.9	8.3	8.0	9.8
September	12.5	11.7		9.1	8.2	8.0	8.1	8.4
October	12.6	12.2		12.6	7.7	9.5	8.0	8.4
November	7.2	7.3		10.6	6.3	7.6	6.6	8.3
December	5.0	5.2		10.6	6.2	15.7	7.6	7.8

na not available

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Women's & Children's Outerwear (MA23F(86-1).

PRODUCTION

Materials Consumed in Production

Materials Consumed in Production of Specified Women's Coats, Suits & Rainwear 1977, 1982
(Delivered cost in millions of dollars)

	1982	1977	% Change 1982/1977
Women's & misses' suits & coats, total	$1,642.6	$ 941.8	+ 74.4%
Broad woven fabrics	567.7	412.7	+ 37.6
Purchased knitted fabrics	107.9	182.5	- 40.9
All other materials, components, parts containers and supplies	234.2	93.6	+150.2
Materials containers & supplies, n.s.k.	732.8	253.0	+189.6
Waterproof outergarments, total	157.1	105.2	+ 49.3
Broadwoven fabrics	99.8	51.6	+ 81.8
Purchased knitted fabrics		3.3	
All other materials, components, parts containers & supplies	35.2	21.7	+ 62.2
Materials, containers & supplies, n.s.k.	22.1	28.6	- 22.7

n.s.k. not specified by kind

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Industry Series.

PRODUCT SHIPMENTS

In contrast with "industry shipments" previously covered and defined on page 3, the value of specific products shipped by all manufacturers (product shipments), regardless of industry classification, is reported by the Census Bureau.

In addition, the International Trade Administration compiles trend information on some products covering the value of shipments on a constant dollar basis, eliminating the effects of inflation. Reversing a decline in "real" value of shipments of women's suits and coats in 1985, the ITC anticipated a real gain of 2.4% in 1986 compared with 1985, based on preliminary 1986 information.

Trends in The Constant Dollars Value of Shipments Of Women's Suits & Coats By All Producers
(Based on 1982 $)

Percent Change Compound Annual		Annual	
1972-1984	1979-1984	1984-1985	1985-1986
+ 5.4%	+ 6.1%	- 3.5%	+ 2.4%

Source: International Trade Administration;
1987 U.S. Industrial Outlook.

PRODUCT SHIPMENTS

The total value of women's, misses' and juniors' tailored wear (not including rainwear) shipped by all U.S. producers was reported at $3.4 billion in 1982, based on the complete census of manufactures. This was 61% over the 1977 total (current dollars).

Quality & Value of Shipments: 1982, 1977

	Quantity (thous.)		Value (mil. $)	
	1982	1977	1982	1977
Total reported	--	64,356	$3,416.3	$2,122.0
Women's, misses' & juniors'				
Coats (except fur, leather & raincoats	12,234	19,040	$ 621.9	612.1
Suits (including uniform suits & pantsuits)	13,140	38,859	443.2	768.9
Skirts & jackets	nr	6,457	2,351.2	741.0

Source: U.S. Bureau of the Census, 1982 Census of Manufactures; (Industry Series MC82-1-23B).

The value of women's tailored wear made of knit fabric, but cut and sewn by suit and coat manufacturers is included in the above figures. However, the value of suits and coats made in knitting mills is not. In 1982, the value of women's suits and coats shipped by knitting mills amounted to $36.1 million, down from $97.0 million in 1977.

Current information on a quarterly and annual basis on the value of shipments of women's wear is reported by the Census Bureau in the Current Industrial Reports, described in the section on PRODUCTION. Small manufactures, for which estimates are compiled by the Bureau in the complete Census of Manufactures, are not included in the CIR reports.

Value of Shipments of Specified Women's Wear: 1985, 1986
(Millions of dollars)

	1986	1985	% Change 1986/85
Women's, misses', juniors' total, reported apparel items	$3,039.2	$3,133.4	- 3.0%
Suits (including uniform)	364.7	385.3	- 5.3
Pantsuits	103.8	70.6	+ 47.0
All other suits	260.9	314.7	- 17.1
Jackets, total	707.9	766.7	- 7.7
Separate tailored suit type jackets	653.3	690.1	- 5.3
Nontailored outer jackets, excl. ski	54.6	76.6	- 28.7
Separate skirts	1,263.5	1,214.3	+ 4.1
Coats & vests, total	605.7	601.5	- 0.7
Coats & capes, except down or feather filled fur, all leather and rain	586.9	574.2	+ 2.2
Down & feather filled coats, jackets & vests	9.8	14.4	- 31.9
Vests, excl. sweater vests & coat vests	9.0	12.9	- 30.2
Raincoats	97.4	165.6	- 41.1

Source: U.S. Bureau of the Census: Current Industrial Reports, Women's & Children's Outerwear (MA23F(86)-1).

PRODUCT SHIPMENTS

Concentration in Product Shipments

The latest figures on the share of shipments of specified products accounted for by the largest manufacturers are for the year 1982, compiled in the complete Census of Manufactures conducted every five years. (Information about concentration on a company and plant basis covering industry shipments of all products and miscellaneous receipt's has been covered in the INDUSTRY STATISTICS section.)

Between 1977 and 1982 concentration of rainwear shipments among large companies increased dramatically. The share of shipments accounted for by the four largest manufacturers rose from 34% to 48%. Along with consolidations within the industry, the decline in shipment value forced many smaller firms out of business, allowing the larger ones to increase their shares.

In the suits and coats, the share of shipments accounted for by the largest firms remained relatively stable reflecting the fashion orientation of the merchandise. However, suit and coat share of shipments were less highly concentrated than rainwear.

Share of Specified Women's Suit, Coat and Rainwear Shipments
By The Largest U.S. Manufacturers, 1982

	Product Shipments (Mil. $)	% of value accounted for by the largest companies			
		Top 4	Top 8	Top 20	Top 50
Women's, misses' & juniors coats (except fur, leather, and raincoats)					
1982	$621.9	15%	25%	45%	74%
1977	612.1	14	23	42	69
Women's, misses' & juniors' suits					
1982	407.1	22	34	60	84
1977	665.3	22	33	51	73
Raincoats & other waterproof outerwear (men's, women's, children's)					
1982	237.0	48	64	86	98
1977	313.1	34	46	68	90

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Concentration Ratios in Manufacturing.

PRODUCER PRICE TRENDS

Preliminary producer (factory) price indexes for the month of April, which are unadjusted for seasonal factors, generally show an increase compared with indexes for the month of December 1986. But, overall, the level for women's tailored clothing was below year-ago levels.

The outlook for the coming months is for price increases due to sharply escalating world prices for wool, and increases in prices of other fibers. Although the impact of these gains will not be felt until 1988, fabric mills are scurrying in world markets to cover their needs as far ahead as possible. Import restrictions may also encourage domestic suppliers to increase their prices as the competitive edge of foreign suppliers is reduced due to higher costs and devaluation of the U.S. dollar.

PRODUCER PRICE TRENDS

Producer Price Levels as of December 1986, April 1987
(Not seasonally adjusted)
Index Base: Dec. 1982=100

	Monthly Index			Percent Change	
	April 1987(p)	Dec. 1986	Dec. 1985	April 1987/86	December 1986/85
Women's, misses', juniors' tailored wear (incl. uniforms)	103.0	101.6	100.9	- 0.7	- 0.7
Coats (exc. fur, all-leather raincoats)	97.3	95.7	97.2	- 6.8	- 1.5
All wool, chiefly wool	110.1	106.9	94.4	+ 0.5	+13.2
Suits	96.2	96.2	nr	nr	--
Skirts, jackets	107.0	105.6	106.2	+ 2.3	- 0.6
Skirts, including uniform	111.1	108.7	109.1	+ 4.3	- 0.4
Jackets	101.1	101.1	102.0	- 0.9	- 0.9
Contract work on suits & coats	114.9	112.1	111.3	+ 4.1	+ 0.7
Raincoats, capes (includes men's, women's & children's) (Base: 6/85=100)	104.8	101.4	100.0	nr	+ 1.4

(p) preliminary
nr not reported

Source: U.S. Bureau of Labor Statistics: *Employment & Earnings*

FOREIGN TRADE

Imports, particularly from the Far East, account for a major share of the U.S. apparel market. Women's tailored wear is definitely not an exception. The high labor intensity in this product category makes the labor cost advantages of developing countries an important factor in the competitive edge. However, world prices for raw materials of particular importance to this industry; particularly the soaring price of wool, will be a factor in future developments, along with the efforts of domestic manufacturers to increase domestic production.

In any event, the escalation of wool prices, as well as of manmade fibers and cotton, and the strengthening of currencies in the Far East against the U.S. dollar, may cut down on the competitive edge of foreign suppliers, regardless of developments connected with trade restrictions.

The Census Bureau has compiled data on the penetration made in the U.S. market supply (new) by imports for certain product categories. Based on units, imports represented 64% of total new supply of women's and children's coats and jackets in the U.S. in 1986, up from a 59% share in 1985. Imports represented 48% of total new supply of women's suits last year, compared with 59% in 1985; in skirts, imports' share moved from 33% to 45% in the same period.

Imports of women's and children's tailored wear continued to climb in 1986. In terms of custom value (which is the price paid, not including freight, insurance, duties, etc.), the value of imports of women's and children's suits, coats, skirts and pants reached $1.7 billion in 1986, according to the USITC. A 27% gain over the 1985 value. In quantity, imports were up 34%. Although exports of this merchandise category increased for the second consecutive year, and may continue to gain in view of the devalued U.S. dollar, this represents only a small portion of total domestic output at the present time.

FOREIGN TRADE

Quantity and Value of U.S. Imports & Exports of Women's & Childrens' Suits, Coats, Skirts & Jackets: 1984, 1985, 1986

(Quantity in thousands of dozens; value in millions of dollars)

	1986	1985	1984	% Change 1986/85
Imports:				
Quantity (1,000 dozen)	15,441	11,489	14,706	+ 34.4%
Value (1,000 dollars)*	$1,739,248	$1,365,132	$1,252,006	+ 27.4
Exports:				
Quantity (1,000 dozen)	687	582	501	+ 18.0
Value (1,000 dollars)	$ 39,507	$ 33,134	$ 31,035	+ 19.2

* Import value is customs value, defined as the price actually paid or payable for merchandise when sold for exportation to the United States, excluding U.S. import duties, freight, insurance and other charges incurred in bringing the merchandise to the U.S.

Source: U.S. Industrial Trade Commission (USITC): U.S. Trade Shifts in Selected Commodity Areas, (USITC Publication 1980).

Imports

Detailed information on quantity of U.S. imports of women's tailored wear by major fiber-content is available from the International Ladies Garment Workers Union. The following table tracks the increase in imports from 1981 through 1986.

Imports (For Consumption) of Selected Women's & Children's Wear

(Thousands of units)

	Annual Total					
	1986	1985	1984	1983	1982	1981
Suits, total	7,935	6,361	6,916	6,353	3,973	2,766
Wool	1,526	1,175	1,413	1,390	1,018	654
Synthetic	6.409	5,187	5,503	4,963	2,955	2,112
Coats & jackets, total	80,609	72,217	71,007	64,448	61,079	53,818
Cotton	27,312	24,892	23,085	18,528	18,935	19,744
Wool	5,637	5,001	4,343	3,276	2,229	2,300
Synthetic	47,660	42,325	43,578	42,645	39,915	31,744
Raincoats (men's, women's & children's), total	13,024	11,846	11,460	6,777	6,623	6,759
Cotton	2,188	2,440	3,927	2,332	2,044	1,994
Synthetic	10,836	9,406	7,534	4,445	4,578	4,764

Source: ILGWU based on U.S. Bureau of the Census.

TOTAL DOMESTIC SUPPLY (NEW SUPPLY)

U.S. Shipments, Exports, Imports & Apparent Consumption
Of Reported Types of Women's & Children's Wear: 1985, 1986
(Quantity in thousands of dozens; value in millions of dollars)

	Skirts		Coats & Jackets		Suits	
1986	Quantity	Value	Quantity	Value	Quantity	Value
Manufacturers shipments*	8,832	$1,318.2	4,194	$1,549.4	967	$375.2
Exports of domestic mdse.**	280	11.0	201	12.8	189	15.1
"807" imports						
Quantity	471	--	350	--	130	--
Value: U.S. content	--	19.8	--	24.4	--	17.7
Total value ***	--	29.3	--	36.8	--	27.5
Total imports for consumption	7,020	749.1	7,074	1,121.1	712	240.2
New domestic supply	15,592	2,056.3	11,067	2,657.7	1,490	600.3
Imports: % of supply	45.0%	36.4%	63.9%	42.2%	47.8%	40.0%
1985						
Manufacturers shipments*	8,798	$1,261.8	4,762	$1,559.4	1,143	$401.0
Exports of domestic mdse.**	180	7.4	278	14.8	119	10.7
"807" imports						
Quantity	259	--	358	--	107	--
Value: U.S. content	--	12.0	--	21.2	--	13.3
Total value ***	--	17.5	--	31.6	--	20.6
Total imports for consumption	4,284	433.2	6,460	1,041.8	572	182.1
New domestic supply	12,902	1,687.6	10,944	2,586.4	1,596	572.4
Imports: % of supply	33.2%	25.7%	59.0%	40.3%	35.8%	31.8%

* Value of manufacturers' shipments is f.o.b. plant

** Value of exports is value at port

*** CIF value includes cost, insurance and freight to port of entry-duty is not included.

Source: U.S. Bureau of the Census:
Current Industrial Reports (MA23F(86)-1).

TAILORED UNIFORMS (CAREER APPAREL)

Tailored uniforms (including suits, coats, jackets, etc.) data are included in date previously covered in this Fact File; and production and shipments are not separately reported by the Census Bureau. However, trade information indicates that this is one of the fastest growing areas in the apparel industry, along with washable service apparel. Current estimates place the total value of tailored and washable service apparel (men's and women's) at the factory level at $5.0 billion-up from an estimated $4.1 billion in 1984.

TAILORED UNIFORMS (CAREER APPAREL)

The women's tailored uniform segment of the market is registering fast growth due to the great increase noted in women entering occupations previously held only by men; where uniforms are required, and usually supplied by the employer. This includes the Armed Forces, firefighters, police, sanitation workers, etc.

The Bureau of Labor Statistics reports that the number of women in the Armed Forces stationed in the U.S. increased 25% from 1980 to 1986, climbing from 124,000 to 155,000. In 1977, the count was only 92,000. Females in police and detective forces rose 20% from 1983 to 1986, bringing the total to 73,000. The number of female firefighters went up 150%; bus drivers, 25.9%; mail carriers, up about 36%.

In addition to market growth due to expansion in employment in occupations where tailored uniforms are the norm, more companies are using uniforms for their staffs to promote the company image. Occupations such as airline attendants, hotel staffs, etc.; where tailored uniforms are needed, have increased greatly in number. The BLS reports the following growth in career occupations that are represented in the market for women's tailored uniforms.

Female Employment in Selected Occupations: 1983, 1986
(Includes women age 16 years & older)

	1986	1983	% Change 1986/83
Protective Service	222	214	+ 3.7%
Supervisors	7	6	+ 16.7
Firefighting & fire prevention	5	2	+150.0
Police & detectives	73	61	+ 19.7
Guards	136	146	- 6.8
Mail & message distributing occupations	311	252	+ 23.4
Postal clerks, except mail carriers	130	91	+ 42.9
Mail carriers, postal service	61	45	+ 35.6
Mail clerks, exc. postal service	82	85	- 3.5
Messengers	37	32	+ 15.6
Other occupations:			
Bus drivers	209	166	+ 25.9
Airplane pilots & navigators	1	1	--
Hotel clerks	56	44	+ 27.3
Transportation ticket & reservation agents	78	63	+ 23.8
Bank tellers	442	437	+ 1.1
Armed Forces, stationed in U.S.	155	143	+ 8.4

Source: U.S. Bureau of Labor Statistics: Employment & Earnings.

AT THE RETAIL LEVEL

THE POTENTIAL MARKET FOR TAILORED WEAR

Growth in the size of the market for women's tailored wear is not only a reflection of population growth, but more importantly, of the increase in the number of working women. Particularly in the growing number with managerial positions, requiring a tailored appearance.

By 1994, the total female population over age 16 is expected to increase 17.2% reaching a total of 103 million. The total female population 35-54 years old is the fastest growing segment, with a gain of 44% expected during this period.

The growth of the population 35 to 54 years of age bodes well for the future of the suit and coat industry. Women in this age bracket tend to be in the labor force and are at a point in their careers where their earnings have increased significantly.

Female Population Projections 1987, 1994, 2005
(Middle Series)

	Number (Thousands)			% Change	Percent Distribution		
	1987	1994	2005	2005/1987	1987	1994	2005
Total, all ages	124,774	132,251	141,381	+ 13.3%	100.0%	100.0%	100.0%
16 years & over	97,454	102,903	113,018	+ 16.0	78.1	77.9	80.0
16 - 19	7,233	6,426	7,707	+ 6.6	5.8	4.9	5.5
20 - 34	31,323	29,068	26,706	- 14.7	25.1	22.0	18.9
35 - 54	29,352	36,202	41,249	+ 40.5	23.5	27.4	29.2
55 - 64	11,591	11,002	15,399	+ 32.9	9.3	8.3	10.9
65 years & over	17,955	20,205	21,957	+ 22.3	14.4	15.3	15.5
Median age	33.3	35.6	39.2	+ 17.7	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census:
Current Population Reports,
Series P-25, No. 952 (May 1984).

Women accounted for 44% of the labor force in 1985 with the share expected to increase to 46.4% by 1995, according to the Bureau of Labor Statistics. Women will account for about two-thirds of the total growth between 1984 and 1990.

More than 52 million women were in the labor force in 1986, an increase of 2.7% from the prior year. Today about 75% of all women aged 25-34 are in the work force. By comparison, 15 years ago, about 45% of the women in this age group sought employment. There has been an increase of more than 12 million women in all age groups to the labor force over the last decade.

THE POTENTIAL MARKET FOR TAILORED WEAR

Female Civilian Labor Force by Age, 1986 & Projections to 1995

	Labor Force (thous.)		% Change	% of Population	
	1986	1995	1995/86	1986	1995
Women, total	52,413	59,886	+ 14.3%	55.3%	58.9%
By age:					
16 to 19	3,824	3,307	- 13.5	53.0	51.2
20 to 24	7,293	6,316	- 13.4	72.4	76.3
25 to 34	15,208	16,168	+ 6.3	71.6	81.1
35 to 44	12,204	16,943	+ 38.8	73.1	80.5
45 to 54	7,746	11,408	+ 47.3	65.9	71.3
55 to 64	4,940	4,695	- 5.0	42.3	42.7
65 years & over	1,119	1,049	- 12.5	7.4	5.0

Source: Bureau of Labor Statistics: Monthly Labor Review (Nov. 1985)
Employment & Earnings (January 1987)

The proportion of women in managerial and professional positions has been on the rise since the 1970s. In 1986 24% of women fell into this category compared with 21.7% in 1983, according to the Bureau of Labor Statistics. Women accounted for over 49% of the Nation's 13.9 million professional specialty workers in 1986 compared with 45% in 1975. The influx into upper management and professions spells more buyers of women's suits and related wear.

Number of Women in Managerial/Professional Occupations: 1983, 1986
(In thousands)

	Number of Women		% Change
TAILORED SUIT AND COAT RELATED OCCUPATIONS	1986	1983	1986/83
Managerial and professional specialties	11,524	9,659	+19.3%
Executives, administrative and managerial	4,652	3,490	+33.3
Officials and administrators, public administration	196	161	+21.7
Financial managers	157	138	+13.8
Personnel and labor relations managers	56	47	+19.1
Purchasing managers	29	19	+52.6
Administrator, education and related fields	239	172	+39.0
Managers, medicine & health	79	52	+51.9
Managers, property & real estate	160	131	+22.1
Management related occupations	1,597	1,195	+33.6
Managers marketing, advertising and public relations	110	86	+27.9
Professional specialty workers, total	6,872	6,169	+11.4
Engineers, surveyors, architects	119	104	+14.4
Mathematical and computer scientists	228	137	+66.4
Natural scientists	86	73	+17.8
Health diagnosing occupations	109	98	+11.2
Health assessment and treating	1,728	1,629	+ 6.1
Teachers: college and university	230	220	+ 4.5
other	2,613	2,386	+ 9.5
Counselors, educations and vocational	93	93	--
Librarians, archivists, curators	176	180	- 2.2
Lawyers, judges	118	103	+14.6
Other	1,371	1,140	+20.3

Source: Bureau of Labor Statistics.

THE POTENTIAL MARKET FOR TAILORED WEAR

Correlated with the rise of women into more responsible, management positions has been increased earnings of women.

The highest median weekly earnings of women who were full-time wage and salary workers in 1986 were among those in the 35-44 year old age bracket ($319). The second highest median ($308) was among women employees age 45-54 years.

Overall, the median weekly earnings of all female full-time wage and salary earners rose to $290 in 1986, up $13 a week from a year earlier. While the median for women is still far below that of men, the increase for women have been larger, thus the gap is narrowing. This increase for women's earnings translates into more disposable income which could be spent on apparel.

Median Weekly Earnings of Female Full-Time Wage and Salary Workers By Age, 1984, 1985, 1986

	1986	1985	1984	% Change 1986/85
Total 16 years and over	$290	$277	$265	+ 4.7%
16 - 24 years	218	210	203	+ 3.8
25 years and over	308	296	282	+ 4.1
25 - 34	305	295	284	+ 3.4
35 - 44	319	307	291	+ 3.9
45 - 54	308	291	278	+ 5.8
55 - 64	295	284	269	+ 3.9
65 and over	255	242	218	+ 5.4

Source: Bureau of Labor Statistics: Employment & Earnings.

Note: For detailed information on employment levels, income, etc., see the FACT FILE on CONSUMER MARKET DEVELOPMENTS.

RETAIL SALES BY PRODUCT

Data on sales of women's suits, coats and rainwear, purchased in major retail outlet types was developed by the U.S. Census Bureau in the complete census of retail trade. This census, compiled every five years (most recently in 1982) is the only official data on merchandise line sales by type of retail outlet.

Women's ready-to-wear stores are the dominant outlet type in both the suits and jacket category as well as the dress coat, outerjacket and rainwear group. Women's wear stores accounted for 54.6% and 49.8% of reported sales in these categories, respectively. Department stores ranked second in reported sales volume in both these areas.

As defined by the Census Bureau, department stores consist of three components: conventional department stores, discount/mass merchandisers, and department stores operated by national chains, such as Sears and Penney.

The census of retail trade does not include separate sales information for each of these operations. However, there is a breakdown on total department store sales for the year: conventionals accounted for 32.0%; discount/mass merchandisers, 39.1%; national chains, 39.1%. The mass merchandiser/ discounter department stores (which represented 76% of all department stores and a combined 68% of department store sales in 1982), have undoubtedly increased their shares since 1982.

RETAIL SALES BY PRODUCT

Reported Sales of Women's Suits, Coats & Rainwear By Outlet Type, 1982
(In retail establishments with payroll)

	Establishments**		Sales	
	Number	Percent	Thous. $	Percent
Women's, misses', juniors':				
Dress coats, outer jackets & rainwear reported total	42,763	100.0%	$2,811,198	100.0%
Department stores *	5,833	13.6	1,059.171	37.7
Women's ready-to-wear stores	26,152	61.2	1,399,842	49.8
Family clothing stores	9,736	22.8	331,000	11.8
Men's wear stores	1,042	2.4	21,185	0.8
Suits, tailored jackets, reported total	46,925	100.0	4,359,707	100.0
Department stores*	5,492	11.7	1,481,081	34.0
Women's ready-to-wear stores	30,397	64.8	2,381,294	54.6
Family clothing stores	9,727	20.7	447,968	10.3
Men's wear stores	1,309	2.8	49,364	1.1

* Includes traditional department stores, discount department stores and department store outlets of national chains, such as Sears, Penney, Ward. Leased departments are not included, but are counted in the census as separate specialty store operations.

** Each business location is separately counted as a store unit, including each unit in a multiunit organization.

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade, Merchandise Line Sales.

RETAIL SALES BY TYPE OF OUTLET

Specialty Stores

According to the 1982 census, sales of women's suits, coats, and rainwear in women's wear stores with payroll amounted to $3.8 million. This figure represented 18.7% of total store sales. In family clothing stores, sales of suits, coats and rainwear amounted to $778 million, 5.8% of total store sales.

Women's Suit and Coat Sales in Specialty Stores, 1982
(In retail stores with payrolls)

	Stores		Suit, Coat, etc. Sales	% of Total Sales of	
	Number	%	(thous. $)	Stores Selling the line	All Stores
Women's ready-to-wear stores, total	44,163	100.0%	$20,248,922	--	100.0
Dress & tailored coats, jackets & rainwear	26,152	59.2	1,399,842	9.3%	6.9
Suits, pantsuits, sport jackets & blazers	30,397	68.8	2,381,294	15.4	11.8
Family clothing stores, total	17,859	100.0	13,451,003	--	100.0
Dress coats, jackets & rainwear	9,736	54.5	331,000	3.3	2.5
Suits, sport coats & blazers	9,727	54.5	447,968	5.4	3.3

(footnotes continued)

RETAIL SALES BY TYPE OF OUTLET

Specialty Stores

Note: Each store location is separately counted, regardless of whether or not it is part of a multi-unit operation.

For details on operations in these store types, as reported in the 1982 Census, see the Fairchild Fact File: A STATISTICAL ANALYSIS OF RETAILING (1985).

Source: U.S. Bureau of the Census:
1982 Census of Retail Trade (RC82-1-3).

The National Retail Merchants Association reported that sales of coats, suits and dresses registered a median increase of 6.4% in women's wear stores in 1985.

Merchandising & Operating Results of Women's Suits & Coats
In Women's Specialty Stores With Total Sales Over $1 Million, 1985
(Median results)

	Total Female Apparel (20)*	Summary Coats, Dresses And Suits (17)*	Women's, Misses' & Juniors'	
			Coats (13)*	Suits (14)*
Net sales, % change from last year	+ 7.6%	+ 6.4%	+ 10.2%	+ 10.7%
Sales, % to total store sales	64.0	15.3	6.3	7.1
$ sales per sq. ft. of selling space (main or largest selling unit)	$223.7	$192.0	$193.3	$214.2
Cumulative markon, %	50.5	51.0	51.6	50.4
Gross margin, % of sales (incl. cash discounts)	42.5	41.0	43.1	37.5
Advertising, % of net sales	2.2	2.9	nr	nr
Selling salaries, % of net sales	9.1	8.9	nr	nr
Number of stock turns (times)	3.9	3.3	2.9	3.4

* Number in Parentheses refers to the number of companies reporting in each category.

Source: National Retail Merchants Association,
Merchandising & Operating Results of 1986.

Department Stores

As noted in a previous table, department stores held a share of about 38% of reported sales of women's, misses', juniors' coats, jackets and rainwear as well as 34% of reported sales of suits, sport jackets and related items in 1982, according to the census.

RETAIL SALES BY TYPE OF OUTLET

Department Stores

Tailored Wear Sales in Department Stores, 1982
(Women's, Misses', Juniors')

	Stores		Suit, Coat, etc. Sales	% of Total Sales of	
	Number	%	(thous. $)	Stores Selling the line	All Stores
Department stores, total	9,981	100.0%	$99,170,163	--	100.0
Dress & tailored coats, outerjackets & rainwear	5,833	58.4	1,059,171	1.5%	1.1
Suits, pantsuits, sport jackets & blazers	5,492	55.0	1,481,081	2.2	1.5

Note: Leased departments are not included in the above. Catalog mail order desk sales are included.

Each store location is separately counted in the above table. Department stores include both traditional department stores and discount department stores which meet the definition of this store type under the Standard Industrial Classification (SIC) system. Department stores operated by mail order chains and mass merchandisers are also included in the above table.

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade (RC82-1-3).

For details on department store operations, as reported in the 1982 census, see the Fairchild Fact File: A STATISTICAL ANALYSIS OF RETAILING (1985).

Merchandising & Operating Results of Women's Suit & Coat Departments In Department Stores With Total Sales Over $1 Million, 1985
(Median results)

	Total Female Apparel	Summary: Coats, Dresses And Suits	Women's, Misses' & Juniors'	
			Coats	Suits
	(88)*	(86)*	(75)*	(21)*
Net sales, % change from last year	+ 6.9%	+ 5.0%	- 1.9%	+ 1.2%
Sales, % to total store sales	35.2	7.8	2.4	0.4
$ sales per sq. ft. of selling space (main or largest selling unit)	$153.1	$163.4	$174.2	$135.2
Cumulative markon, %	52.2%	51.4%	52.1%	53.2%
Gross margin, % of sales (incl. cash discounts)	43.9	41.3	42.0	43.6
Advertising, % of net sales	2.6	3.0	3.6	4.4
Selling salaries, % of net sales	6.0	6.2	6.1	6.1
Number of stock turns (times)	3.6	3.6	3.3	3.9

* Number in Parentheses refers to the number of companies reporting in each category.

Source: National Retail Merchants Association: Merchandising & Operating Results, 1986.

CONSUMER PRICE TRENDS

Prices at retail for apparel items have been on the rise, and sharper than average increases may be noted in months ahead for tailored wear, due to the sharply escalating price of wool and other materials.

Consumer Price Index for Specified Women's Apparel Categories
(Dec. 1977=100, unless otherwise indicated)

	March Average			Annual Average		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
All items (1967=100)	330.5	321.4	+ 2.8%	328.4	322.2	+ 1.9%
All apparel commodities (1967=100)	198.2	190.0	+ 4.3	192.0	191.6	+ 0.2
Women's apparel	118.3	113.1	+ 4.6	114.6	110.3	+ 3.9
Coats & jackets (1967=100)	176.2	159.7	+10.3	172.1	172.9	- 0.5
Suits	97.9	95.2	+ 2.8	106.4	99.5	+ 6.9

Source: U.S. Bureau of Labor Statistics.

RETAIL ADVERTISING

Retail advertising for women's & misses' coats & jackets is highest in November, reflecting pre-Christmas sales by most retailers, according to data compiled by the Advertising Checking Bureau. October was the second highest month for retail advertising while December ranked third.

Percent of Total Newspaper Ad Linage Done By Month, 1985

	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Coats and jackets	100.0%	8.8%	5.5%	5.5%	4.8%	2.1%	1.7%	3.8%	8.3%	10.2%	16.6%	17.8%	14.9%

Source: The Advertising Checking Bureau, 1985.

CONSUMER BUYING HABITS

MRCA Information Services, Stamford, Ct., an independent research company has compiled information on patterns in purchases of women's suit and coat items. Market populations are developed based on purchase diaries maintained by members of a nationwide sample of 11,500 households. The Newspaper Advertising Bureau has published the following MRCA data. Findings show the seasonal pattern in purchases and distribution of purchases by price.

Average Purchase Rate For Women's Suit & Coat Products
(Units Per 1,000 households)

	Suits, shirts and dresses	Coats/ Raincoats
Average Month	408.8	54.4
January	305.8	70.7
February	355.6	61.0
March	461.0	60.8
April	492.7	53.6
May	511.1	37.3
June	548.0	28.0
July	432.2	23.2
August	392.4	35.4
September	367.5	55.4
October	340.6	58.5
November	287.2	73.8
December	412.1	95.2

Source: MRCA Information Services: 1987 Newspaper Advertising Planbook (Newspaper Advertising Bureau).

Percent of Women's Coat, Suit & Related Product Purchases (Units) By Price, 1984

	Coats Exc. Fur	Blazers/ Jackets	Raincoat All-weather coats	Pantsuits	Skirt Suits
Under $25	11.2%	53.0%	43.3%	46.3%	20.2%
$25.00 - $34.99	10.7	17.5	9.4	24.2	16.0
$35.00 - $49.99	22.6	15.4	17.2	13.5	16.7
$50.00 - $74.99	23.1	9.1	13.9	10.1	18.0
$75.00 - $99.99	15.5	2.9	7.3	2.9	13.9
$100.00-$149.00	10.9	1.5	7.8	2.6	8.4
$150.00 & over	6.0	0.6	1.1	0.4	6.8

Estimates on the total retail market for specified types of tailored wear have been developed by the Soft Goods Information Service, MRCA Information Services, based on purchase diaries maintained by a nationally representative sample of 11,500 households. Purchases of women's coats (including rainwear) and jackets, in 1986 were projected to a national total of $2.7 billion, up 4.2% from 1985. Purchases of suits and blazers also increased in 1986, rising 5.3% to $2,915 million, based on the panel data. Unit purchases in recent years were reported as follows:

	Unit Purchases (millions of items)			Percent Change	
	1986	1985	1984	1986/85	1985/84
Women's, misses', juniors'					
Suits	19.5	19.2	24.1	- 1.8%	- 20.3%
Skirts	183.2	142.4	144.1	+ 28.7	- 1.2

CONSUMER BUYING HABITS

Preferences for suits took a sharp downturn after 1984, probably due to some market saturation and lack of marked change in styles which make suit wardrobes out of date. Women turned to separates to freshen up their on-the-job looks, and there was a sharp upturn in skirt business in 1986. A change in hem lengths, with fashion forecasting a sharp switch to shorter lengths will mean increased business in both suits and skirts if it catches on.

Teen Buying Habits

In May 1985, 1,243 teenage girls, members of Seventeen Magazine's 3,000 member Consumer Panel, which represents a cross-section of teens nationwide, answered the magazine's Spring Apparel Study. Members reported on items purchased during the spring of 1985 as well as place of purchase. This information was projected to the entire female teenage market to get an estimate of the total number of girls who purchased apparel, quantity purchased and the amount spent.

Purchases of Specified Suits & Coats by Teenage Girls, Spring 1985

	Number Purchasing Add 000	Number Purchased Add 000	Total Expenditures (thousands)
Coats			
Raincoats - Poplin	2,252	2,298	$131,193
- Slicker	2,115	2,159	57,688
Leather/Suede	1,539	1,616	176,516
Mid-calf	901	920	68,806
Three-quarter length	726	736	39,118
Fake fur coats	400	417	33,927
Real fur coats	312	315	51,385
Total buying coats	7,044	8,461	558,633
Suits			
Jacket & skirt	2,653	4,805	312,950
Pantsuits	1,176	1,284	51,578
Jacket with dress	1,164	1,842	117,980
Jackets			
Blazers	3,253	5,306	301,222
Real fur jackets	299	300	48,952
Fake fur jackets	125	129	6,610
Skirts			
Mini (above the knee)	8,108	24,483	784,925
Knee level	5,593	12,756	393,012
Below knee level	5,017	8,633	245,436

CONSUMER BUYING HABITS

Usual Place of Purchase of Suits & Coats, by Teenage Girls

	Percent of Girls
Department stores	70.8%
Specialty stores	24.0
Discount stores	4.6
Variety stores	2.4
Mail order	3.5
All other	2.1

Note: Totals add to more than 100.0% due to multiple mentions.

Source: Seventeen Magazine, Triangle Communications, Inc.; Spring Apparel Study, 1985.

FURS

Market Trends

The steady growth of the U.S. fur market which began in 1971 continued through the 1986/87 selling season, when retail sales reached an estimated total of $1.8 billion. Analysts expect retail sales to surpass $2 billion in 1987, only six years after the industry passed the $1 billion level.

The two segments of the fur good industry which have shown the best growth were coats under $5,000 (also referred to as bridge, affordable or mass market furs) and those over $20,000. Industry sources indicate that in the 1986/87 season nearly 85% of the retail fur business was at the $5,000 and below level. Two major factors have led to the increase in the low-end business. Many retailers are now using less expensive furs in the high fashion styles rather than "commercial" quality imports. Also over the last decade, many working women, who have more disposable income, are spending more on themselves for luxury goods. In addition, many women are buying a second or third fur jacket or coat to fill varied needs.

The "affordable" fur segment is primarily the province of imported furs, particularly from Hong Kong, Greece and Korea, representing about 85% of domestic sales of furs under $5,000.

While price hikes of 10%-35% are predicted for the 1987/88 selling season, due to fierce competition at the world's fur auctions, retail sales are expected to be brisk. Shorter length furs and a resurgence of interest in stoles and persian lamb are expected to push sales up by about 30% this season. Retailers see shorter lengths as the answer to price increases, since it takes fewer skins to make a short coat. Some retailers such as the Fur Vault, are revising their marketing plans in an attempt to have customers to trade up to even higher price points in light of higher prices expected in the coming season. They are also revising their marketing plan to try to take advantage of market opportunities among a growing number of women who are both more affluent and more knowledgeable about furs.

Despite the bright outlook for fur garments at the retail level, domestic manufacturers continue to struggle. Due primarily to cheapter labor costs overseas, the number of manufacturers by 1984 fell about 20% below 1980. The major casualty in this consolidation has been small manufacturers of lower priced, affordable furs.

The fur industry is highly price-promotional. Many in the industry believe that consumers have grown accustomed to high reduction in prices, thus waiting for promotions to buy. The practice is hard to terminate because of keen competition in the key consumer trading areas.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

Fur apparel is a defined standard industrial classification (SIC) covered in Census Bureau reports. This includes the complete census of manufactures (compiled ever five years), and the annual surveys of manufactures which provides key measures of manufacturing activity during intercensal periods. All manufacturers with payroll are represented.

Industry shipments, which include all products made by manufacturers classified in the fur garment industry plus miscellaneous receipts from contract work, were valued at $383.7 million in 1985 (latest available). This was slightly below the 1984 total and about 10% lower than in 1982, on a current dollar basis (which is not adjusted for inflation).

Fur Goods (SIC 2371*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	503	na
Number of establishments, total**	na	466	504	na
Number with 20 or more employees	na	20	43	na
Employees, total (thous.)	2.5	2.5	3.4	--
Production workers (thous.)	1.7	1.7	2.5	--
Payroll (mil. $)	$ 46.4	$ 50.5	$ 59.6	- 8.1%
Value added by manufacture # (mil. $)	108.0	125.6	131.6	- 14.0
Value of industry shipments ## (mil. $)	383.7	398.1	419.3	- 3.6
Capital expenditures, new (mil. $)	0.5	1.0	0.3	- 50.0

* SIC 2715 includes establishments primarily engaged in manufacturing fur coats and other garments, accessories, and trimmings made of fur. The industry includes producers of fur caps, coat linings, glove linings and other fur apparel, such as capes, coats, hats, jackets and neckpieces. Establishments primarily engaged in manufacturing sheep-lined clothing are classified in Industry 2386, and those engaged in dyeing and dressing of furs in Industry 3999.

# Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished goods inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

** Covers manufacturing establishments (plants) only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices purchasing offices, sales promotion offices, etc.). Information on establishments in 1984 is from the Census Bureau's County Business Patterns.

## Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in these industries. The value of shipments of fur goods only by all producers, (product shipments), including manufacturers making them as secondary products, is covered on page 34.

na not available

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
1985, 1984 Annual Survey of Manufactures.

GENERAL INDUSTRY STATISTICS

Concentration in the Fur Industry

The influx of foreign furs into the U.S. from sources with low labor costs has led to a reduction in many small fur operations and thus an increase in the share controlled by the larger manufacturers. According to the Census Bureau, the percent of fur goods shipments accounted for by the four largest manufacturers increased from 7% in 1972 to 12% in 1982. The share for the 50 largest manufacturers increased from 39% to 55% during this same period. While data for more recent years is not available through the bureau, industry analysts believe that this trend towards increased concentration among the larger producers has continued.

Of the 503 companies classified in the U.S. fur industry in 1982, 496 operated only one plant and these companies accounted for about 93% of total industry shipments. Only 182 companies had fur apparel shipments valued at $100,000 or more in 1982. Most companies have under 20 employees, according to the Census Bureau. These represented about 91% of the companies in 1982, and they accounted for 60% of the industry value added by manufacture, 57% of the value of shipments. In 1984, according to the Census Bureau, 446 out of the 466 fur manufacturing plants in the U.S., or close to 96%, had fewer than 20 employees.

Industry Location

Fur production in the U.S. is centered in New York. In 1982, 87% of the plants were in New York State, and these plants accounted for 91% of the total value added by manufacture within the industry.

VALUE OF PRODUCT SHIPMENTS

The total value of shipments of fur apparel (including fur linings and trimmings as well as coats, jackets etc.) made by all U.S. manufacturers with payrolls were reported at $377.4 million in 1985, slightly below the 1982 figure, and well below 1983. Clearly imports dominate the U.S. fur market. Not included in this figure would be made-to-order fur garments made by furriers who are primarily retailers, or who do not have any employees.

Value of Shipments of Fur Goods; 1982-1985
(Millions of Dollars)

	1985	1984	1983	1982	Percent Change 1985/84	Percent Change 1985/82
Fur goods, total	$377.4	$380.5	$425.3	$397.8	- 0.8%	- 5.2%

Note: In contrast with industry shipments previously reported and described, the above product shipments covers shipments of fur coats, capes, linings, accessories, etc., made by all U.S. manufacturers, regardless of their industry classification based on primary product. It does not include miscellaneous receipts which are included in industry shipments.

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
1985, 1984 Annual Surveys of Manufactures.

FOREIGN TRADE

Imports have become one of the prime factors in the U.S. fur industry. According to industry sources, import penetration into the U.S. has grown from about 15% of retail sales in 1979 to over 50% in 1986, and are continuing to gain ground. Imported furs tend to be concentrated in the low-end price range and have been a major factor in the growth of this area as well as contributing to the stability of prices in this range.

However, for the coming season, higher prices are expected for imported furs. In the past, the U.S. market has been the prime outlet for foreign fur producers. In recent years, surging international demand for furs from the Far East has been taxing factory output. Foreign fur purchases are paying premiums to Far East manufacturers in order to get fur shipments which in the past would have come to the U.S. In addition, the U.S. dollar's value has diminished in relation to the currencies of some foreign suppliers, making imports more expensive.

Overall, imported furs increased 0.5% in 1986, reaching a total value of $451 million (cost, insurance, freight) that year, according to the Census Bureau.

The Korean Republic, which replaced Hong Kong as the top supplier of imported furs in 1981, has continued to maintain this position through 1986 despite a 10% decrease in imports from that country in 1986.

Canada, the second leading supplier of furs to the U.S. registered an increase of 11% in imports while the number three supplier, Hong Kong, recorded an increase of 4%. Overall, the top five suppliers of furs to the U.S. account for about 80% of all fur garment imports.

Exports of furs, which have been declining for several years, rebounded in 1986. According to the U.S. Department of Commerce, fur exports were up more than 10% in 1986, however, they still represent only a small portion of U.S. production. With the devalued dollars, however, exports may pick up.

The Value of Imports of Fur Clothing & Articles By Leading Country of Origin, 1983-1986

(CIF value in thousands of dollars)

	1986	1985	1984	1983	% Change 1986/85
Total value	$450,584	$448,472	$346,594	$210,596	+ 0.5%
Korean Republic	123,712	137,535	114,925	83,183	- 10.1
Canada	106,414	95,810	74,577	37,438	+ 11.1
Hong Kong	90,182	86,685	69,688	38,412	+ 4.0
Greece	38,040	38,014	22,182	6,372	+ 0.1
West Germany	14,736	19,780	11,542	6,957	- 25.5
Leading country total	358,348	377,824	292,914	172,371	- 5.2
% of total imports	79.5%	84.2%	84.5%	81.8%	--

The CIF value refers to the value of imports at the first port of entry in the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census:
U.S. General Imports, FT 135.

RETAIL SALES

The explosion of consumer demand for furs has led to an influx of retailers. Large retailers, such as Sears, Roebuck, Loehmans and Burlington Coat Factory, have entered the market with low priced furs, while toney fur retailers such as Revillon, Marshall Fields, Bullock's and Sanger Harris, have begun to offer their own versions of affordable furs. These utilize less expensive fur species in high fashion styles, rather than "commercial" quality imports in order to meet their younger, less affluent customer's financial circumstances.

The American Fur Industry Association estimates that total retail sales of furs in 1985 was $1.7 billion, of which men's accounted for about $2.5 million. Sales for 1986 are estimated to have surpassed $1.8 billion, while industry estimates for 1987 are for the industry to exceed $2 billion. The large jump in sales in 1987 is expected largely on the basis of higher prices due to stronger demand for furs from foreign countries.

There are only two publicly held fur retailers in the U.S.: Evans, Inc., and the The Fur Vault Inc., with sales of $134.4 million and $61 million, respectively. Combined, these two firms account for 12% of all fur sales.

The main impetus in the growth of the fur industry has been the increase in the number of single, career/professional women. Industry analysts report that the average age of the first-time fur buyer in 1985 was 26 compared with 50 in 1965. Women are no longer waiting to get married and have a male purchase them a fur. Most now purchase their own. While the average price of furs continues to decline, the average disposable income of working women has gained. Combined with the fact that only 2% of women currently own furs, the outlook for continued growth is great. Men's furs are also registering strong growth. They have caught on, and are expected to continue to gain new customers.

The latest official figures on fur sales by type of retail outlet are from the 1982 census of retail trade compiled by the U.S. Census Bureau. Furriers controlled the lions share of retail sales, accounted for 68.6% of retail sales in that year. Department stores ranked second, with 17.1%.

Reported Sales of Furs and Fur Garments By Major Outlet, 1982
(In Retail Establishments with Payroll)

	Establishments**		Sales By Outlet Type	
	Number	Percent	Thous. $	Percent
Women's & girls' furs & fur garments, reported total	6,300	100.0%	$896,147	100.0%
Department stores*	1,999	31.7	153,283	17.1
Women's ready-to-wear stores	2,629	41.7	112,116	12.5
Family Clothing stores	592	9.4	15,824	1.8
Women's accessory and specialty stores and furriers	1,080	17.1	614,924	68.6

* Includes traditional department stores, discount department stores and department store outlets of national chains, such as Sears, Penney, Ward. Leased departments are not included, but are counted in the census as separate specialty store operations.

** Each business location is separately counted as a store unit, including each unit in a multiunit organization.

Source: U.S. Bureau of The Census:
1982 Census of Retail Trade,
Merchandise Line Sales.

RETAIL SALES

It should be noted that due to a change in the treatment of leased departments, comparable figures for 1977 are not available. This change affects the counts of stores for some categories much more than others. Furriers are one of the most severely affected. In 1982, the Census Bureau counted leased departments as separate retail establishments in their specific type of business. In earlier years, data on leased departments was combined with data on the lessor stores. In a supplemental report for 1982 (Miscellaneous Subjects RC81-1-4) the Census Bureau reported 316 leased fur departments operated in department stores were reclassified in the 1982 census of furriers. These departments had a combined total sales of $87.2 million.

Department Stores

Fur departments in department stores with a total volume of $1 million or more registered a median gain of 10.6% in 1985 over 1984, according to the National Retail Merchants Association. Sales per square foot averaged $300 and the fur department accounted for 0.6% of the total stores sales.

Merchandising & Operating Results in Fur Departments
In Department Stores with Sales Over $1 Million, 1985
(Median results)

Net sales, % change from 1980	+ 10.6%
Sales, % of total store sales	0.6
$ sales per sq. ft. of selling space (main or largest selling unit)	$300.0
Cumulative markon, %	42.2%
Gross margin, % of net sales (incl. cash discounts)	36.6
Advertising, % of net sales	5.0
Selling salaries, % of net sales	6.1
Number of stock turns (times)	2.4

* Number in Parenthesis refers to the number of companies reporting in each category.

Source: National Retail Merchants Association,
1985 Merchandising & Operating Results.

RETAIL ADVERTISING

Retail advertising for fur garments is, of course, concentrated in the colder winter months. December and January were the two highest months for advertising acconting for 16.0% and 14.4% of the total respectively. Promotions generally begin in October.

Percent of Newspaper Ad Linage By Month, 1985

	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Furs and fur garment	100.0%	14.4%	11.0%	5.5%	4.1%	3.0%	1.8%	4.6%	9.7%	8.7%	10.3%	10.9%	16.0%

(For information on consumer buying habits in regard to furs, see page 29.

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD APPLIANCES, ELECTRIC HOUSEWARES, HOME ENTERTAINMENT PRODUCTS: Covers a broad range of products included in these three classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market. Departmental merchandising and operating results in department stores and in men's wear stores are covered.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS (A Fact File Special Edition): Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specific products; concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics on sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible.

TABLETOP & GIFTWARES: Statistics included for these industries include those on both the manufacturing and retailing levels. There's coverage of production and shipments; foreign trade; retail sales; plus data on the consumer market including buying habits and expenditures.

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures, foreign trade. Consumer expenditures by product are detailed, as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specific products.

WOMEN'S COATS, SUITS, RAINWEAR, AND FURS: Data from the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women. Also covers sales estimates and operating results in department and specialty store.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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7 East 12th Street, New York, N.Y. 10003

C3400-1.103-d

Household Appliances, Electric Housewares, Home Entertainment Products

FAIRCHILD FACT FILE

Prepared by
Market Research Division
Audrey S. Balchen, Director

Kenneth Greenman, Research Analyst

Distributed through
Book Division
Fairchild Publications
Division of Capital Cities Media, Inc.
New York

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Standard Book Number: 87005-593-3

Printed in the United States of America

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HOUSEHOLD APPLIANCES AND ELECTRIC HOUSEWARES

Market Trends

A major force shaping the appliance industry in 1987 and, no doubt for years to come, has been the impact of three big mergers of 1986 -- Kitchen Aid/Whirlpool, White/Electrolux and Maytag/Magic Chef. These manufacturers now have the capability of offering complete lines of major household appliances and to push more aggressively into areas occupied by niche players. These firms hope to reduce costs through larger volume production and to sell similar products under different brand names.

The high-end segment of the appliance industry is becoming increasingly competitive, as consumers with greater discretionary income step up to more expensive merchandise with better features; often as replacement purchases. One industry executive predicts that the high-end, which presently accounts for 12% of the business, will grow to 20% within a decade. Electronic touch controls are finding their way onto more products, particularly ranges and laundry products.

With the proliferation of similar products under various labels comes the need for marketers to sell appliances by emphasizing features beyond just price, performance and styling. General Electric and Whirlpool have attempted to do this by beefing up their warranties in the hope of swaying a shopper's brand choice. Playing on the well-known distaste of consumers for appliance repairmen, G.E. has promised to replace appliances if buyers aren't satisfied or to refund their money within 90 days of delivery. Whirlpool countered by promising to replace appliances up to a full year after purchase. Other companies are seriously considering joining the "warranty war" as well.

Although the microwave market remains the best-selling appliance category (in units) by far, it has begun to level off; this after years of explosive growth during the first half of the 1980's. High saturation levels and cutthroat price competition has taken virtually all profitability out of compact microwaves; as list prices have fallen as low as $99. While first-time buyers are still going after compact and mid-size units, a replacement market in microwaves is developing as consumers step-up to high-end models with features like turntables and under-the-cabinet mounting.

Another market segment that is evolving are home laundry products. Traditional full-size, side by side washers and dryers still represent by far the largest part of the market, about 90% of which is replacement. However, such demographic changes as shrinking household size, accompanied by the growing popularity of condominiums, has led to the marketing of full-size stackable equipment. The equipment is designed to save space without a reduction in capacity. Some manufacturers are increasing production of compacts, targeting the apartment or multifamily homeowner who has no other choice due to space limitations.

Advances in electronic technology have enabled retailers to demand higher price points for some electric housewares categories, including irons and coffeemakers. Automatic shut-off is still driving the iron business, presently accounting for about one third of sales and spurring the replacement market. Retailers are striving to improve their bottom line by emphasizing higher ticket merchandise, such as food processors. Vacuum cleaners, backed by heavily financed promotions by both Eureka and Hoover, are a bright spot for mass merchants and department stores.

Market Trends (continued)

An area with huge growth potential is travel appliances, with manufacturers making major moves into the market in 1987. For example, Rival, a major supplier of kitchen appliances, has begun marketing travel irons and coffeemakers. Increasing travel by consumers, combined with less-than-booming housewares sales, has promoted companies such as Remington and Norelco to develop merchandise lines in this segment.

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES

A complete census of all manufacturers with payrolls in the U.S. is compiled every five years by the U.S. Bureau of the Census. During the interim years, the Census Bureau conducts annual surveys among a sample of manufacturers to provide estimates on key measurements of manufacturing activity. The results of the latest complete census, covering 1982, and the 1984 and 1985 annual surveys are reported below.

The 1982 Enterprise Statistics report issued by the Census Bureau showed a total of 424 companies classified in the U.S. appliance industry. Overall results for the major appliance/electric housewares industry show a slight decline in the value of industry shipments in 1985 compared with 1984. However, on a current dollar basis, 1985 shipments were 28.4% above the 1982 level.

Overall Results For the Appliance/Electric Housewares Industry

	1985	1984	1982	% Change 1985/84
Household Appliances & Electric Housewares (SIC 363)				
Number of companies	na	na	528	--
Number of establishments, total**	na	590	630	--
Number with 20 or more employees	na	320	335	--
Employees, total (thous.)	124.4	132.6	129.4	- 6.2%
Production workers (thous.)	97.2	105.5	98.0	- 7.9
Payroll (mil. $)	$2,579.2	$2,629.9	$2,223.1	- 1.9
Value added by manufacture# (mil. $)	7,338.3	7,539.4	5,775.9	- 2.7
Value of industry shipments## (mil. $)	16,230.4	16,248.7	12,643.5	- 0.1
Capital expenditures, new (mil. $)	410.9	379.3	304.8	+ 8.3
Machinery & equipment, new	333.2	299.9	na	+11.1

na not available

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

The value of shipments of most major appliances are on the rise. An important factor in the overall health of the industry is the high level of new home construction, stimulated by a drop in mortgage interest rates and a population peak in age groups establishing new homes. Sales of existing homes and the rapid growth of condominiums often involve the replacement of appliances and have been a significant factor in industry growth.

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

Overall Results For the Appliance Industry

	1985	1984	1982	% Change 1985/84
Household Cooking Equipment (SIC 3631*)				
Number of companies	na	na	71	--
Number of establishments, total**	na	86	88	--
Number with 20 or more employees	na	59	59	--
Employees, total (thous.)	24.2	27.7	23.7	-12.6%
Production workers (thous.)	18.5	21.5	17.0	-14.0
Payroll (mil. $)	$ 492.4	$ 544.8	$ 402.1	- 9.6
Value added by manufacture# (mil. $)	236.5	1,528.8	941.4	-19.1
Value of industry shipments## (mil. $)	3,297.3	3,578.5	2,414.9	- 7.9
Capital expenditures, new (mil. $)	76.6	86.3	51.5	-11.2
Machinery & equipment, new	58.2	63.8	41.9	- 8.8
Household Refrigerators, Freezers (3632*)				
Number of companies	na	na	39	--
Number of establishments, total**	na	53	50	--
Number with 20 or more employees	na	27	30	--
Employees, total (thous.)	22.3	24.0	22.4	- 7.1%
Production workers (thous.)	18.4	20.4	18.4	- 9.8
Payroll (mil. $)	$ 514.5	$ 526.5	$ 441.2	- 2.3
Value added by manufacture# (mil. $)	1,352.2	1,152.5	1,032.3	+17.3
Value of industry shipments## (mil. $)	3,340.5	3,088.0	2,470.7	+ 8.2
Capital expenditures, new (mil. $)	64.3	56.3	79.1	+14.2
Machinery & equipment, new	51.5	44.2	64.8	+16.5
Household Laundry Equipment (SIC 3633*)				
Number of companies	na	na	15	--
Number of establishments, total**	na	23	25	--
Number with 20 or more employees	na	20	20	--
Employees, total (thous.)	17.2	16.7	16.5	+ 3.0%
Production workers (thous.)	14.4	14.1	13.4	+ 2.1
Payroll (mil. $)	$ 415.5	$ 401.2	$ 335.4	+ 3.6
Value added by manufacture# (mil. $)	1,375.5	1,292.5	984.1	+ 6.4
Value of industry shipments## (mil. $)	2,838.4	2,715.6	2,123.2	+ 4.5
Capital expenditures, new (mil. $)	81.4	69.9	35.1	+16.5
Machinery & equipment, new	64.2	54.8	31.9	+17.1
Household Vacuum Cleaners (SIC 3635*)				
Number of companies	na	na	29	--
Number of establishments, total**	na	30	31	--
Number with 20 or more employees	na	19	18	--
Employees, total (thous.)	11.2	11.9	8.4	- 5.9%
Production workers (thous.)	7.5	8.2	5.2	- 8.5
Payroll (mil. $)	$ 236.4	$ 237.5	$ 151.1	- 0.5
Value added by manufacture# (mil. $)	691.9	746.5	463.6	- 7.3
Value of industry shipments## (mil. $)	1,301.9	1,307.3	775.7	- 0.4
Capital expenditures, new (mil. $)	35.3	43.4	17.1	-18.7
Machinery & equipment, new	31.2	32.5	15.6	- 4.0

(continued)

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

	1985	1984	1982	% Change 1985/84
Sewing Machines (SIC 3636*)				
Number of companies	na	na	86	--
Number of establishments, total**	na	86	91	--
Number with 20 or more employees	na	21	25	--
Employees, total (thous.)	2.8	2.9	5.5	- 3.4%
Production workers (thous.)	1.8	2.0	3.4	-10.0
Payroll (mil. $)	$ 59.0	$ 59.0	$ 101.9	--
Value added by manufacture# (mil. $)	116.8	123.9	168.8	- 5.7
Value of industry shipments## (mil. $)	177.5	169.9	299.7	+ 4.5
Capital expenditures, new (mil. $)	12.9	10.0	8.6	+29.0
Machinery & equipment, new	12.2	7.8	59	+56.4
Household Appliances, n.e.c. (SIC 3639*)				
Number of companies	na	na	70	--
Number of establishments, total**	na	78	83	--
Number with 20 or more employees	na	49	49	--
Employees, total (thous.)	16.0	16.2	14.2	- 1.2%
Production workers (thous.)	13.2	13.6	11.4	- 2.9
Payroll (mil. $)	$ 337.1	$ 338.3	$ 252.4	- 0.4
Value added by manufacture# (mil. $)	1,018.9	1,025.5	673.8	- 0.6
Value of industry shipments## (mil. $)	2,175.3	2,150.7	1,432.0	+ 1.1
Capital expenditures, new (mil. $)	71.9	48.5	40.6	+48.2
Machinery & equipment, new	58.2	39.4	35.8	+47.7

na not available
n.e.c. not elsewhere classified.

* SIC (Standard Industrial Classification) definitions which determine the classification by industry of each plant (establishment):

363 The composite identifier for the appliance/electric housewares industry. Included in this category is the electric housewares industry (SIC 3634), which is separately covered in this Fact File.

3631 Establishments primarily engaged in manufacturing household cooking equipment, such as stoves, ranges and ovens, including both electric and non-electric types. Also included in this category are barbecue grills and microwave ovens.

3632 Establishments primarily engaged in producing household refrigerators and home and farm freezers.

3633 Establishments primarily engaged in manufacturing laundry equipment such as washing machines, wringers, dryers, and irons for household use. This industry also includes producers of coin-operated washers and driers.

3635 Establishments primarily engaged in producing vacuum cleaners for household use.

3636 Establishments primarily engaged in manufacturing sewing machines for domestic and industrial use.

3639 Establishments primarily engaged in manufacturing household appliances, not elsewhere classified, such as water heaters, dishwashers and food waste disposal units. This industry also includes producers of floor waxers and polishers.

(footnotes continued)

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

** Covers manufacturing establishments (plants) only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing, sales offices, etc.). The establishment count for 1984 is from the Census Bureau's County Business Patterns.

Value added by manufacture is derived by subtracting the total cost of materials (including supplies, fuel, electric energy, cost of resales and miscellaneous receipts) from the value of shipments (including resales) and other receipts, and adjusting the resulting amount by the net change in finished products and work-in-process inventories between the beginning and the end of the year.

Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. It includes receipts for contract work, all items made by, or for, each establishment from materials owned by it, and also miscellaneous receipts. It also includes both primary and secondary products made in these industries. Shipments of appliances, only, by all producers, including manufacturers making them as secondary products, are covered in the section on SHIPMENTS.

Source: U.S. Bureau of the Census:
1985, 1984 Annual Survey of Manufactures,
1982 Census of Manufactures.

Industry Shipments

The International Trade Administration (U.S. Department of Commerce) compiles annual projections covering the household appliance industry on a constant dollar basis (1982 dollars). Figures below show anticipated real growth in most industry classifications when the effects of inflation are eliminated.

Household Appliance Industry Shipments - Recent Performance and Forecast
(Value in millions of 1982 dollars)

	1987(f)	1986(e)	1985(e)	1984	% Change 1987/86	% Change 1986/85	Compound Annual Growth Rate 1984/79
Household Appliances (SIC 363)	$15,422	$15,170	$14,992	$15,304	+ 1.7%	+ 1.2%	- 0.5%
Household Cooking Equipment (SIC 3631)	2,925	2,910	2,930	3,256	+ 0.5	- 0.7	+ 2.8
Household Refrigerators (SIC 3632)	3,135	3,027	2,908	2,905	+ 3.6	+ 4.1	- 3.2
Household Laundry Equipment (SIC 3633)	2,930	2,833	2,750	2,617	+ 3.4	+ 3.0	- 1.1
Household Vacuum Cleaners (SIC 3635)	1,505	1,448	1,350	1,268	+ 3.9	+ 7.3	+ 6.5
Sewing Machines (SIC 3636)	142	147	155	164	- 3.4	- 5.2	-20.2
Household Appliances, n.e.c. (SIC 3639)	2,110	2,050	1,994	2,013	+ 2.9	+ 2.8	+ 2.6

n.e.c. not elsewhere classified
(f) forecast (e) estimate

Source: U.S. Department of Commerce:
International Trade Administration, 1987 U.S. Industrial Outlook.

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

Employment & Earnings

Total employment in the household appliances industry dipped 0.2% in 1986 from 1985. However, employment in the production of refrigerators rose for the year, reflecting the fact that each classification within the industry has trends that impact differently upon it.

Employment & Earnings in the Major Appliance Industry, 1984-1986

	Annual Averages			% Change
	1986	1985	1984	1986/85
Household Appliances (SIC 363) (includes Electric Housewares)				
All employees (thous.)	135.2	135.5	147.4	- 0.2%
Production workers (thous.)	105.6	106.0	116.6	- 0.4
Avg. weekly earnings	$388.95	$367.35	$359.70	+ 5.9
Avg. hourly earnings	$ 9.58	$ 9.23	$ 8.97	+ 3.8
Avg. weekly hours	40.6	39.8	40.1	+ 2.0
Household refrigerators & freezers (SIC 3632)				
All employees (thous.)	27.3	25.2	30.0	+ 8.3
Production workers (thous.)	21.6	19.5	24.1	+ 10.8
Avg. weekly earnings	$442.09	$416.16	$416.56	+ 6.2
Avg. hourly earnings	$ 10.97	$ 10.43	$ 10.26	+ 5.2
Avg. weekly hours	40.3	39.9	40.6	+ 1.0
Household laundry equipment (SIC 3633)				
All employees (thous.)	22.6	21.4	20.9	+ 1.0
Production workers (thous.)	17.7	16.7	16.2	+ 6.0
Avg. weekly earnings	$468.65	$432.23	$426.12	+ 8.4
Avg. hourly earnings	$ 11.32	$ 10.86	$ 10.60	+ 4.2
Avg. weekly hours	41.4	39.8	40.2	+ 4.0

Note: BLS data on employment totals differs from Census Bureau data due to a difference in methodology in computing the figures. Separate employment and earnings statistics for the electric housewares industry only is covered in the Electric Housewares section of this Fact File.

Source: U.S. Bureau of Labor Statistics, Employment & Earnings.

Industry Concentration

The major appliance industry's trend toward increased consolidation was emphasized by three major transactions in 1986. The first was Whirlpool's acquisition of Kitchen Aid, a producer of dishwashers and compactors. Whirlpool subsequently sold Kitchen Aid's dishwasher manufacturing facilities to Emerson. Emerson will supply Whirlpool with products to be sold under the Kitchen Aid label.

Industry Concentration (continued)

In another acquisition, Maytag agreed to acquire Magic Chef, giving the former a source of refrigerators that it has long sought. Another important consolidation within the industry was the purchase of White Consolidated Industries by AB Electrolux of Sweden. Electrolux already had a significant presence within the U.S. market with its Tappen and Eureka subsidiaries.

The pressure on manufacturers to reduce production cost through economies of scale has been a major impetus toward consolidation. In addition, the major manufacturers, such as those mentioned above, want the capability to offer a complete line of appliances to homebuilders.

Share of Value of Industry Shipments Accounted For By The Largest Companies, 1982

			Value of Industry Shipments			
			Percent accounted for by largest companies:			
Industry	No of Companies	Total (Mil. $)	4 largest	8 largest	20 largest	50 largest
Household Cooking Equipment (SIC 3631)	71	$2,414.9	52%	73%	93%	99%
Household Refrigerators (SIC 3632)	39	2,470.7	94	98	99	100
Household Laundry Equipment (SIC 3633)	15	2,122.2	91	na	100	--
Household Vacuum Cleaners (SIC 3635)	29	775.7	80	96	99+	100
Sewing Machines (SIC 3636)	86	299.7	72	82	93	99
Household Appliances, n.e.c. (SIC 3639)	70	1,432.0	51	82	96	99+

na not available
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Concentration Ratios in Manufacturing.

Concentration By Employment Size, 1982

	Establishments		Value Added By Manufacture		Industry Shipments	
	Number	%	(Mil. $)	%	(Mil. $)	%
Household cooking equipment (SIC 3631), total	88	100.0%	$941.4	100.0%	$2,414.9	100.0%
By establishment (plant) size:						
Under 20 employees	29	33.0	10.6	1.1	22.4	0.9
20-99 employees	16	18.2	20.7	2.2	45.1	1.9
100-499 employees	26	29.5	254.6	27.0	733.6	30.4
500 or more employees	17	19.3	655.3	69.6	1,613.8	66.8

(continued)

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

Industry Concentration

Concentration By Employment Size, 1982

	Establishments		Value Added By Manufacture		Industry Shipments	
	Number	%	(Mil. $)	%	(Mil. $)	%
Household refrigerators, freezers (SIC 3632), total	50	100.0%	$1,032.3	100.0%	$2,470.7	100.0%
By establishment (plant) size:						
Under 20 employees	20	40.0	2.0	0.2	4.8	0.2
20-99 employees	11	22.0	16.4	1.6	35.1	1.4
100-499 employees	8	16.0	73.4	7.1	166.8	6.8
500 or more employees	11	22.0	940.6	91.1	2,264.0	91.6
Household laundry equipment (SIC 3633), total	25	100.0	$ 984.1	100.0	$2,122.2	100.0
By establishment (plant) size:						
Under 20 employees	5	20.0	2.4	0.2	4.9	0.2
20-99 employees	8	32.0	9.3	0.9	30.2	1.4
100 or more employees	12	48.0	972.4	98.8	2,087.1	98.3
Household vacuum cleaners (SIC 3635), total	31	100.0	$ 463.6	100.0	$ 775.7	100.0
By establishment (plant) size:						
Under 20 employees	13	41.9	1.4	0.3	2.8	0.4
20-99 employees	9	29.0	16.8	3.6	40.3	5.2
100-499 employees	6	19.4	94.1	20.3	195.7	25.2
500 or more employees	3	9.7	351.3	75.8	536.9	69.2
Sewing machines (SIC 3636), total	91	100.0	$ 168.8	100.0	$ 299.7	100.0
By establishment (plant) size:						
Under 20 employees	66	72.5	11.0	6.5	23.3	7.8
20-99 employees	16	17.6	21.8	12.9	41.9	14.0
100 or more employees	9	9.9	135.9	80.5	234.6	78.2
Household appliances, n.e.c. (SIC 3639), total	83	100.0	$ 673.8	100.0	$1,432.0	100.0
By establishment (plant) size:						
Under 20 employees	34	41.0	8.8	1.3	17.4	1.2
20-99 employees	23	27.7	61.8	9.2	121.4	8.5
100-499 employees	16	19.3	137.5	20.4	332.7	23.2
500 or more employees	10	12.0	465.6	69.1	960.4	67.1

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census,
1982 Census of Manufacturers.

GENERAL INDUSTRY STATISTICS: HOUSEHOLD APPLIANCES

Capital Spending

The Census Bureau has reported that U.S. household appliance companies spent $77.7 million on new plants and additions in 1985, a decline of 2.1% from the level of expenditures in 1984. On the other hand, spending on new machinery & equipment rose 11.1% in 1985 to cover $333 million. Though expenditures for machinery by manufacturers of household laundry equipment were highest, the largest increase was in spending by sewing machine producers, a gain of 56.4%.

New Plant & Equipment Expenditures: 1984, 1985
(Millions of dollars)

	Buildings & Structures		Machinery & Equipment	
Major Appliance Industry	1985	1984	1985	1984
Household cooking equipment	$18.4	$22.5	$58.2	$63.8
Household refrigerators and freezers	12.8	12.1	51.5	44.2
Household laundry equipment	17.2	15.1	64.2	54.8
Electric housewares and fans	10.8	7.4	57.7	57.5
Household vacuum cleaners	4.1	10.9	31.2	32.5
Sewing machines	0.7	2.3	12.2	7.8
Household appliances, n.e.c.	13.7	9.1	58.2	39.4
Household appliances, total	$77.7	$79.4	$333.2	$299.9

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census,
1985 Annual Survey of Manufactures.

In 1987, the Census Bureau published a report, 1982 Enterprise Statistics, which provides new information on capital spending by large companies (500 or more employees). It covers data on a company basis (in contrast with 1982 Census of Manufactures and Retail Trade reports which are on a plant or store basis). The following information is for 426 household appliance companies with total sales of $9,897.7 million.

Capital Expenditures By U.S. Household Appliance Companies
With 500 Employees Or More: 1982

	Capital Expenditures (Millions of $)			
	Total	Computers & Peripheral Equipment	Other Machinery	Autos & Trucks
Household appliance companies with 500 or more employees	$217.0	$ 7.8	$201.6	$ 7.6
% To Sales	2.2	0.1	2.0	0.1

Source: U.S. Bureau of the Census,
1982 Enterprise Statistics.

Advertising Expenditures

The Census Bureau's 1982 Enterprise Statistics report includes findings in a survey of large companies (500 or more employees) who purchase advertising services, including space, time, production costs, etc. Of the 26 household appliance companies with 500 or more employees in this classification, 20 participated in this survey.

Advertising Expenditures (continued)

Of the 20 companies, 19 reported that they had advertising expenditures, which amounted to a total of $171 million. This represented 1.8% of their total sales.

Ads Forecast (Advertising Age, September 15, 1986), reported total advertising dollars for the household appliance industry were 4.3% of sales in 1985. The study, an annual report on advertising expenditures, is produced by Pansophic Systems. Ad dollars in the industry represented 15.3% of total gross margins (net sales less cost of goods sold). Expenditures increased 8.8% in 1985 form 1984. Spending includes both media spending as well as collateral literature and production. (Data on the leading advertisers in consumer magazine spending is reported in the ADVERTISING section of this Fact File).

HOUSEHOLD APPLIANCE SHIPMENTS

Sparked by soaring demand for air conditioners and dehumidifiers brought on by hot, humid weather in June, unit shipments of major home appliances rose during the first half of 1987. The unit shipments increased 10.1% over the comparable 1986 period. The 24.3 million units shipped by factories from January to June were a new industry record, according to the Association of Home Appliance Manufacturers. Shipments of air conditioners topped 2.8 million, a gain of more than 37% from the first six months of 1986. Dehumidifiers were up 34.4%.

Unit Shipments of Major Home Appliances, First Half 1986 and 1987
(Volume in thousands of units)

	First Half		% Change
	1987	1986	1987/86
Total shipments*	24,261.6	22,026.8	+ 10.1%
Electric ranges	1,633.9	1,584.2	+ 3.1
Free standing	1,312.5	1,299.1	+ 1.0
Built-In	321.4	285.1	+ 12.7
Microwave ovens/ranges**	5,717.5	5,694.6	+ 0.4
Automatic washers	2,978.7	2,694.9	+ 10.5
Dryers	2,278.2	1,956.7	+ 16.4
Electric	1,776.2	1,534.9	+ 15.7
Gas	502.0	421.8	+ 19.0
Dishwashers	2,011.1	1,856.0	+ 8.4
Built-in	1,887.3	1,742.0	+ 8.4
Portable	123.3	114.0	+ 8.2
Disposers	2,236.9	2,098.6	+ 6.6
Compactors	111.9	89.4	+ 25.2
Refrigerators	3,396.5	3,085.0	+ 10.1
Freezers	610.1	592.0	+ 3.1
Room Air Conditioners	2,829.8	2,063.7	+ 37.1
Dehumidifers	540.4	402.1	+ 34.4
Gas ranges	1,017.6	944.5	+ 7.7

* Shipment are domestic plus exports. Individual products may not add to the total shown due to overlapping product categories.

** Includes U.S. produced and imported microwave ovens and combination microwave ovens/ranges; this is the only figure that includes imports.

Source: Association of Home Appliance Manufacturers.

HOUSEHOLD APPLIANCE SHIPMENTS

Quantity & Value of Shipments by All Producers of Major Household Appliances, 1984, 1985

	Quantity (Thous. Units)		Value (Mil. $)		
	1985	1984	1985	1984	% Change 1985/84
Electric ranges, ovens and surface cooking units, including parts	7,909.7	8,605.4	$2,022.2	$2,263.4	-10.7%
Free standing ranges:					
Under 23", including apartment house type	113.9	121.4	21.7	21.4	+ 1.4
23" to 32":					
Low oven, including slide-ins	2,257.8	2,227.4	628.3	612.7	+ 2.5
High ovens High-low ovens	42.6	48.7	24.7	26.7	- 7.5
33" and over	na	35.2	na	13.0	--
Built-in ovens:					
Single oven	204.2	264.1	64.3	77.7	-17.2
Two oven	64.7	58.2	39.9	35.3	+13.0
Surface cooking tops	401.3	342.9	71.0	63.3	+12.2
Drop-in ranges	231.7	225.1	77.8	72.1	+ 7.9
Microwave ranges and ovens, excluding portables	141.1	167.9	117.6	140.0	-16.0
Microwave ovens, portable	4,319.5	5,041.6	781.1	1,032.7	-24.4
Gas household ranges, ovens and surface cooking units, including parts	1,970.5	1,892.5	580.3	542.1	+ 7.0
Standard type, free-standing:					
Over 32" cooking top & oven	105.4	90.6	33.9	31.7	+ 6.9
Over 24" to 32" cooking top & oven	1,199.3	1,106.8	333.7	307.3	+ 8.6
Apartment ranges, 24" cooking top and under	184.1	181.9	35.9	32.6	+10.1
Standard type, for built-in installation	79.1	120.8	26.6	31.3	-15.0
Surface cooking tops	138.2	131.5	21.5	25.7	-16.3
Nonstandard types:					
Wall-hung	4.4	6.6	1.3	2.0	-35.0
Slide-in or drop-in	203.8	194.1	52.7	45.4	+16.1
Other household ranges and cooking equipment (excluding gas and electric) and outdoor cooking equipment	10,195.8	10,102.4	462.9	465.8	- 0.6
Barbecues, grills, etc., for outdoor cooking:					
Permanently installed units	46.7	181.5	6.6	7.7	-14.3
Portable units	10,149.1	9,920.9	417.0	421.6	- 1.1

(continued)

HOUSEHOLD APPLIANCE SHIPMENTS

Quantity & Value of Shipments by All Producers of Major Household Appliances, 1984, 1985

	Quantity (Thous. Units)		Value (Mil. $)		
	1985	1984	1985	1984	% Change 1985/84
Household refrigerators, including refrigerator-freezer combinations	6,418.7	6,316.5	2,613.7	2,573.4	+ 1.6%
Compression type, filled with separate external doors:					
9.4 cubic ft. and under	na		na		
9.5 to 13.4 cubic ft.	291.9		72.3		
13.5 to 15.4 cubic ft.	1,153.9		371.5		
15.5 to 17.4 cubic ft.	894.4	6,316.5	324.9	2,573.4	
17.5 to 19.4 cubic ft.	1,778.3		727.4		
19.5 cubic ft. and larger	1,508.9		943.5		
Compression type fitted with only one external door	na		na		
Food freezers, complete units, household type	1,065.8	1,162.0	251.4	279.1	- 9.9
Household laundry machines	9,397.8	8,760.6	2,299.3	2,078.9	+10.6
Washing machines, mechanical, including those with dishwasher attachments:					
Standard size, electrically driven, automatic and semi-automatic, excluding coin-operated	5,278.4	na	1,430.7	na	
Dryers, mechanical:					
Gas	837.2		190.8		
Electric	3,002.9		576.5		
Household dishwashing machines food waste disposers, floor waxing machines and trash compactors	--	--	$1,036.3	$1,023.7	+ 1.2
Dishwashing machines:					
Portable, including convertible type	242.7	270.0	65.6	64.7	+ 1.4
Built-in type	3,283.1	3,159.9	723.5	695.2	+ 4.1
Floorwaxing, polishing, scrubbing & shampooing machines (for household use only)	666.0	396.8	39.7	26.5	+49.8
Food waste disposers	3,915.4	3,947.4	166.2	172.9	- 3.9
Household trash compactors	179.4	179.3	41.3	39.8	+ 3.8
Water heaters, electric	3,874.9	3,829.5	393.1	397.9	- 1.2
Storage type:					
44 gallons & under	2,311.5	2,272.6	211.7	218.7	- 3.2
45 to 54 gallons	1,082.5	1,100.3	115.5	119.0	- 2.9
55 gallons and over, and all other types, including circulating and portable storage	147.7	149.4	13.1	15.7	-16.6

na not available

Source: U.S. Bureau of the Census: Current Industrial Reports, Major Household Appliances, MA-36F(85)-1.

HOUSEHOLD APPLIANCE SHIPMENTS

In addition to the specific appliances covered in the preceding table, the Census Bureau issues Current Industrial Reports on other types of appliances, including air conditioners/dehumidifiers and certain types of heaters, as reported in the following tables.

Air Conditioners/Dehumidifiers

Quantity & Value of Shipments of Room Air Conditioners & Dehumidifiers by All U.S. Producers, 1984, 1985

	Quantity (Thous. Units)		% Change	Value (Mil. $)		% Change
	1985	1984	1985/84	1985	1984	1985/84
Room air conditioners, total	2,666.9	3,039.5	-12.3%	$639.2	$846.9	-24.5%
5,999 Btu/Hr. and under	667.0	821.2	-18.8	98.6	141.6	-30.4
6,000-6,999 Btu/hr.	173.8	145.7	+19.3	22.1	32.8	-32.6
7,000-7,999 Btu/hr.	231.3	240.5	- 3.8	46.5	56.1	-17.1
8,000-8,999 Btu/hr.	262.1	227.7	+15.1	58.9	56.8	+ 3.7
9,000-9,999 Btu/hr.	160.5	173.9	- 7.7	47.8	49.6	- 3.6
10,000-12,999 Btu/hr.	496.8	593.3	-16.3	137.3	176.6	-22.3
13,000-19,999 Btu/hr.	453.3	557.4	-18.7	137.7	201.3	-31.6
20,000 Btu/hr.	222.1	279.8	-20.6	90.4	132.1	-31.6
Electrically operated dehumidifiers, mechanically refrigerated, self-contained	589.1	586.0	+ 0.5	95.8	96.0	- 0.2

(r) revised

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Air-Conditioning & Refrigeration Equipment,
MA35M(85)-1.

Heating Stoves

Quantity & Value of Shipments of Heating Stoves By All U.S. Producers, 1984, 1985

	Quantity (Thous. Units)		% Change	Value (Mil. $)		% Change
	1985	1984	1985/84	1985	1984	1985/84
Domestic heating stoves, total	1,027.0	1,177.1	-12.8%	$281.2	$285.5	- 1.5%
Gas	174.6	174.1	+ 0.3	34.3	31.7	+ 8.2
Wood	637.4	716.1	-11.0	210.4	214.1	- 1.7
Fireplaces	467.0	490.7	- 4.8	181.8	165.8	+ 9.7
Stoves	170.4	225.4	-24.4	28.6	48.3	-40.8
Kerosene/Coal	215.0	287.0	-25.1	36.4	39.8	- 8.5
Air space heaters						
Portable room heaters	4,202.5	4,844.3	-13.2	96.0	102.4	- 6.3
Fan-forced type	3,232.5	3,755.4	-13.9	71.6	75.2	- 4.8
Other fan	967.0	1,088.9	-11.2	24.4	27.2	-10.3

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Selected Heating Equipment, MA34N(85)-1.

HOUSEHOLD APPLIANCE SHIPMENTS

Share of Market Data

The following data has been supplied by Appliance Magazine: (Dana Chase Publications, Inc.). This data represents the approximate 1985 percentage produced by each manufacturer for the U.S. appliance market (including private brands) for each specified product.

Manufacturers' Share of the Major Appliance Market, 1985

Microwave Ovens	
Sanyo	17%
Sharp	14
Samsung	11
Litton	10
GE	9
Tappan	8
Matsushita (Panasonic, Quasar)	8
Goldstar	7
Amana	6
Toshiba	4
Others	6

Refrigerators	
GE/Hotpoint	29%
Whirlpool	28
White Consolidated	20
Admiral Div., Magic Chef	14
Amana	4
Others	5

Freezers	
Whirlpool	37%
White Consolidated	36
Admiral Div., Magic Chef	18
Amana	5
Others	4

Washers	
Whirlpool	50%
Maytag	16
GE	15
White Consolidated	11
Others	8

Ranges (Electric)	
GE	29%
Whirlpool	15
White Consolidated	14
Roper	11
Tappan	7
Caloric	7
Others	17

Ranges (Gas)	
Magic Chef	25%
Tappan	20
Caloric	17
Roper	15
Maytag	8
Others	15

Water Heaters	
State Industries	26%
Rheem Manufacturing	25
Mor-Flo	20
A.O. Smith	14
Others	15

Dishwashers	
GE	38%
Whirlpool	20
Design and Manufacturing	18
Others	24

Dryers (Electric)	
Whirlpool	53%
GE	15
Maytag	13
White Consolidated	12
Others	7

Source: Appliance Magazine: (Dana Chase Publications), "A Portrait of the U.S. Appliance Industry," Sept. 1986.

HOUSEHOLD APPLIANCE SHIPMENTS

Value of Household Appliances Shipped By All U.S. Producers
In Constant (1982) Dollars, 1984-1987
(Value in millions of dollars)

	1987(f)	1986(e)	1985(e)	1984	% Change 1987/86	% Change 1986/85	Compound Annual Growth Rate 1984/79
Household Appliances (SIC 363)	$14,545	$14,311	$14,156	$14,460	+ 1.6%	+ 1.1%	- 0.5%
Household Cooking Equipment (SIC 3631)	2,770	2,757	2,788	3,098	+ 0.5	- 1.1	+ 3.0
Household Refrigerators (SIC 3632)	3,035	2,930	2,815	2,813	+ 3.6	+ 4.1	- 0.9
Household Laundry Equipment (SIC 3633)	2,650	2,565	2,490	2,370	+ 3.3	+ 3.0	+ 0.2
Household Vacuum Cleaners (SIC 3635)	1,350	1,300	1,212	1,138	+ 3.8	+ 7.3	+ 2.6
Sewing Machines (SIC 3636)	150	155	163	173	- 3.2	- 4.9	-15.9
Household Appliances, n.e.c. (SIC 3639)	2,115	2,054	1,999	2,018	+ 3.0	+ 2.8	- 1.0

n.e.c. not elsewhere classified
(f) forecast (e) estimate

Source: U.S. Department of Commerce:
International Trade Administration,
1987 U.S. Industrial Outlook.

Forecasting by the Association of Home Appliance Manufacturers, as of June 1987, shows that total unit shipments of major home appliances are expected to rise 1.2% for the year 1987 over 1986, despite a 10% rise in shipments recorded thus far for the first half of 1987. Shipments are forecasted to decline 2.6% in 1988, with a downturn for virtually all product categories monitored by the AHAM.

Trends and Forecasts of Unit Shipments of Major Home Appliances, 1985-1988
(Domestic + Exports; volume in thousands of units)

	1988	1987	1986	1985	% Change 1988/87	% Change 1987/86
Total shipments*	44,414	45,598	45,072	41,797	- 2.6%	+ 1.2%
Electric ranges	3,271	3,336	3,318	3,142	- 1.9	+ 0.5
Microwave ovens/ranges	11,517	12,379	12,444	10,883	- 7.0	- 0.5
Automatic washers	5,678	5,830	5,765	5,279	- 2.6	+ 1.1
Dryers	4,283	4,334	4,245	3,914	- 1.2	+ 2.1
Dishwashers	3,975	3,990	3,918	3,575	- 0.4	+ 1.8
Disposers	4,261	4,314	4,269	4,105	- 1.2	+ 1.1
Compactors	208	203	194	177	+ 2.5	+ 4.6
Refrigerators	6,534	6,482	6,510	6,081	+ 0.8	- 0.4
Freezers	1,224	1,232	1,222	1,236	- 0.6	+ 0.8
Room air conditioners	3,063	3,109	2,816	3,022	- 1.5	+10.4
Dehumidefiers	577	570	555	588	+ 1.2	+ 2.7

*Individual products may not add to the total shown due to overlapping product categories.

Source: Association of Home Appliance Manufacturers.

HOUSEHOLD APPLIANCES: DOMESTIC SUPPLY

Shipments, Exports, Imports and Apparent Consumption of Major Household Appliances, 1985
(Quantity in thousands of units; value in millions of dollars)

	Manufacturers' Shipments		Exports of Domestic Merchandise		Imports for Consumption**		Apparent Consumption***	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Electric ranges & ovens (other than microwave)	3,449.3	$943.8	39.7	$14.7	na	na	na	na
Microwave ranges & ovens	4,460.6	898.7	189.8	35.2	12,680.7	$841.4	16,951.5	$1,709.9
Refrigerators and combination refrigerators-freezers	6,418.7	2,613.7	101.5	55.8	1,358.1	155.8	7,675.3	2,721.6
Food freezers, household type	1,065.8	251.4	17.0	7.5	110.4	34.4	1,159.2	279.4
Washing machines, household type	5,455.8	1,495.7	125.9	41.0	86.3	44.9	5,416.2	1,505.4
Dryers, household type	3,942.0	808.6	51.3	17.2	14.6	2.6	3,905.3	796.4
Dishwashing machines, household type	3,525.8	789.1	36.5	12.5	na	na	na	na
Room air conditioners	2,667.0	639.2	77.0	28.6	259.0	58.0	2,849.0	668.6

na not available

* Value of exports is the value at port.
** Value of imports is the value in foreign country.
*** Apparent consumption is derived by subtracting exports from the total of manufacturers' shipments plus imports.

Source: U.S. Bureau of the Census, Current Industrial Reports (MA36F, MA35M).

HOUSEHOLD APPLIANCES: FOREIGN TRADE

Imports

Imports of appliances reached an estimated $2.5 billion in 1986, an increase of 6% for the year. This contrasts sharply with increases of 35% in 1984 and 15% in 1985 when demand for microwave ovens dominated the appliance landscape. Growth in microwave imports is still high but the U.S. market is gradually becoming saturated. Unit imports of microwaves were up almost 20% but intense price competition kept the increase in their value to just 3%.

HOUSEHOLD APPLIANCES: FOREIGN TRADE

Imports (continued)

Despite a significant decline in the value of the dollar in major foreign exchange markets, U.S. imports of refrigerators, vacuum cleaners and laundry equipment grew substantially in 1986. Imports of household refrigerators, freezers and refrigerator-freezer combinations were up 53% from 1985. The principal foreign suppliers of refrigerators were Japan, Canada, Italy, Korea and Sweden, which together accounted for 75% of the total value. Sources attribute the rise in refrigerator imports to an increase in the home construction market coupled with a reduction in U.S. interest rates. A rise in washing machine imports was led by growth in Japanese shipments to the U.S. and Japan, along with Canada, helped propel U.S. imports of clothes dryers.

In 1986, there was a discernible shift in overall appliance imports from Asian suppliers to European suppliers. Though Asian suppliers still have the market cornered, they fared poorly in 1986. Japan, Korea and Taiwan each increased their total shipments just about 5% while Hong Kong and Singapore experiences substantial declines. Increases in U.S. imports of appliances from Italy, West Germany, France, Sweden, Switzerland and the United Kingdom all increased by 30% or more. The dollar's decreasing value resulted in Europeans expanded shipments to the U.S. in anticipation of the expected price rises.

Developing countries are expected to increase their share of the U.S. market at the expense of Japan and the Europeans. Increased import penetration is expected to come in small appliances and there is still significant demand for microwaves. It is anticipated that Japan will shift more of its production to developing countries and the U.S.

Exports

In 1986, U.S. exports of household appliances declined 9.5% to $855 million. This comes on the heels of an 11.5% drop in 1985, when exports dipped below $1 billion for the first time since 1977. Sales to Canada, Mexico and Saudi Arabia, the major U.S. export markets along with the United Kingdom, declined sharply in 1986. The decline in the value of the dollar has not, as yet, had a significant impact on appliance exports to Japan and Europe. Sources foresee improvement in the trade balance with Asia and Europe but not with oil-producing nations.

Total U.S. exports of refrigerators and refrigeration equipment, including parts, increased 3% in 1986. Canada was the largest market; accounting for 18% of refrigerator exports. Mexico accounted for 4.4%.

HOUSEHOLD APPLIANCES: PRODUCER PRICE TRENDS

Preliminary producer (factory) price indexes for June 1987 present a mixed picture compared with one year ago. Some appliance classifications are rising in price at the factory level and others are declining. Overall, household appliance prices fell 0.4% compared with a 0.7% drop from December 1985 to December 1986. Microwave ovens, which are becoming increasingly affordable, had the largest drop in price in June.

HOUSEHOLD APPLIANCES: PRODUCER PRICE TRENDS

Producer (Factory) Price Levels For Specified Major Appliances: June 1986, 1987 and December 1985, 1986

	Monthly Index			Percent Change	
	June 1987	Dec. 1986	Dec. 1985	June 1987/86	Dec. 1986/85
All household appliances (12/84=100)	99.8	99.7	100.4	- 0.4%	- 0.7%
Cooking equipment (6/81=100)	109.3	108.5	112.9	+ 0.3	- 3.9
Free standing electric ranges	115.1	113.9	127.2	+ 1.2	-10.4
Built-in ranges	118.4	118.4	123.9	+ 0.6	- 4.4
Portable microwave ovens	79.7	79.7	82.9	- 3.5	- 3.9
Free-standing gas ranges	116.2	112.7	121.3	+ 4.5	- 7.1
Laundry equipment (12/79=100)	130.9	130.9	130.4	+ 0.2	+ 0.4
Automatic washing machines	124.9	124.7	124.5	+ 0.4	+ 0.2
Electric dryers	135.8	135.8	135.7	- 0.1	+ 0.1
Household refrigerators and freezers (12/81=100)	108.3	108.1	109.7	- 0.4	- 1.1
Vacuum cleaners, including parts and attachments (12/82=100)	105.4	104.8	107.7	+ 0.6	- 2.7

Source: U.S. Bureau of Labor Statistics.

HOUSEHOLD APPLIANCES: CONTRACT MARKET

Selected Appliances Included in the Sale Price of New One-Family Houses, by Region, 1985 and 1986

	1986		1985	
	Number of Houses (Thous.)	% of Total	Number of Houses (Thous.)	% of Total
U.S. total	750	100.0%	688	100.0%
Appliances:				
Stove	703	93.7	644	93.6
Dishwasher	686	91.5	611	88.8
Refrigerator	145	19.3	145	21.1
Northeast, total	136	100.0	112	100.0
Appliances:				
Stove	126	92.6	105	93.8
Dishwasher	121	89.0	97	86.6
Refrigerator	35	25.7	33	29.5

(continued)

HOUSEHOLD APPLIANCES: CONTRACT MARKET (continued)

Selected Appliances Included in the Sale Price of New One-Family Houses, by Region, 1985 and 1986

	1986		1985	
	Number of Houses (Thous.)	% of Total	Number of Houses (Thous.)	% of Total
Midwest, total	96	100.0%	82	100.0%
Appliances:				
Stove	71	74.0	58	70.7
Dishwasher	78	81.3	62	75.6
Refrigerator	15	15.6	16	19.5
South, total	322	100.0	323	100.0
Appliances:				
Stove	313	97.2	315	97.5
Dishwasher	302	93.8	293	90.7
Refrigerator	84	26.1	85	26.3
West, total	196	100.0	170	100.0
Appliances:				
Stove	192	98.0	167	98.2
Dishwasher	184	93.9	159	93.5
Refrigerator	12	6.1	11	6.5

Source: U.S. Bureau of the Census: *Characteristics of New Housing: 1986*, C25-86-13.

Selected Appliances Included in New One-Family Houses By Sales Price, 1986

	Percent of Houses Sold With:		
	Stoves	Dishwashers	Refrigerators
Sale price of house:			
Under $50,000	76%	54%	16%
$50,000-$59,999	90	83	17
$60,000-$79,999	93	91	18
$80,000-$99,999	95	95	17
$100,000-$119,999	95	96	20
$120,000 & over	96	96	23

	Percent of Houses Sold With:		
	Stoves	Dishwashers	Refrigerators
Average price of house:			
With specified appliances	$113,100	$114,300	$121,400
Without specified appliance	88,000	81,200	109,000
Median price of house:			
With specified appliance	92,700	93,600	98,700
Without specified appliance	76,500	68,200	90,400

Source: U.S. Bureau of the Census: *Characteristics of New Housing: 1986*, C25-86-13.

HOUSEHOLD APPLIANCES: CONTRACT MARKET (continued)

In addition to the new-house market for major appliances, a large market also exists, of course, in motels, hospitals, schools and other institutions. This Fact File is, however, just concerned with the household market for home appliances and does not cover these contract markets.

HOUSEHOLD APPLIANCE OWNERSHIP

Percentage of U.S. Households With Specified Appliances, 1983 and 1985

	1985	1983
Dishwashers	47.5%	45.0%
Dryers (Electric)	50.0	49.0
Dryers (Gas)	16.0	15.0
Freezers	42.5	42.8
Microwave ovens	49.0	33.3
Ranges (Electric)	62.0	58.0
Ranges (Gas)	42.0	42.7
Refrigerators	99.9	99.9
Washers	70.0	73.6

Source: Appliance Magazine: (Dana Chase Publications), "A Portrait of the U.S. Appliance Industry," Sept. 1986.

ELECTRIC HOUSEWARES

GENERAL INDUSTRY STATISTICS

The introductory section of this Fact File presented government statistical data on the manufacturing of major appliances and electric housewares combined (see page 2). Available figures for the electric housewares segment, alone, are covered below.

Electric Housewares & Fans (SIC 3634*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	217	--
Number of establishments, total**	na	225	262	--
Number with 20 or more employees	na	125	134	--
Employees, total (thous.)	30.7	33.1	38.7	- 7.3%
Production workers (thous.)	23.4	25.7	29.3	- 8.9
Payroll (mil. $)	$ 524.3	$ 522.6	$ 539.1	+ 0.3
Value added by manufacture# (mil. $)	1,546.6	1,669.7	1,511.9	- 7.4
Value of industry shipments## (mil. $)	3,099.6	3,238.6	3,128.4	- 4.3
Capital expenditures, new (mil. $)	68.5	64.9	73.0	+ 5.5

na not available

(footnotes continued)

GENERAL INDDUSTRY STATISTICS: ELECTRIC HOUSEWARES

* SIC Industry Definition:

3634 Establishments primarily engaged in manufacturing electric housewares for heating, cooking, and other purposes. Important products of this industry include electric air heaters, fans, electrically heated bed coverings, blenders, broilers, deep fat fryers, flat irons, food mixers, hot plates, percolators, coffee makers and roasters. Also included in this industry are personal care electrics: hair curlers, hair dryers, massage machines, electric razors, sauna heaters, electric toothbrushes and water pulsating devices.

** Covers manufacturing establishments (plants) only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing, sales offices, etc.). The establishment count for 1984 is from the Census Bureau's County Business Patterns.

# Value added by manufacture is derived by subtracting the total cost of materials (including supplies, fuel, electric energy, cost of resales and miscellaneous receipts) from the value of shipments (including resales) and other receipts, and adjusting the resulting amount by the net change in finished products and work-in-process inventories between the beginning and the end of the year.

## Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. It includes receipts for contract work, all items made by, or for, each establishment from materials owned by it, and also miscellaneous receipts. It also includes both primary and secondary products made in the industry. Value of shipments by all producers, (including secondary manufacturers of electric housewares) is covered on pages 23-24.

Source: U.S. Bureau of the Census:
1985, 1984 Annual Survey of Manufactures,
1982 Census of Manufactures.

Employment & Earnings

In comparison with the major appliance industry, there was a definite weakness in the employment trend for the electric housewares industry. In addition, earnings in the housewares industry grew at a smaller rate, as did the number of hours production workers put in.

Employment & Earnings in the Electric Housewares Industry, 1984-1986

	Annual Averages			% Change
	1986	1985	1984	1986/85
Electric Housewares and Fans (SIC 3634)				
All employees (thous.)	36.0	38.3	40.1	- 6.0%
Production workers (thous.)	27.1	29.3	31.0	- 7.5
Avg. weekly earnings	$292.82	$281.64	$270.75	+ 4.0
Avg. hourly earnings	$ 7.23	$ 7.13	6.82	+ 1.4
Avg. weekly hours	40.5	39.5	39.7	+ 2.5

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings.

GENERAL INDUSTRY STATISTICS: ELECTRIC HOUSEWARES

Industry Concentration

Unlike the major appliance industry, as previously noted, the manufacturing of electric housewares and fans is not dominated by a handful of companies. The four largest electric housewares firms represent just 38% of the market. The top eight accounted for just over 50% of industry shipments. Of the six major appliance industry classifications, the eight largest firms in each accounted for at least 73% of the market and, in the case of refrigerator production, 98% of the market.

Concentration By Employment Size, 1982

	Establishments		Value Added By Manufacture		Industry Shipments	
	Number	%	(Mil. $)	%	(Mil. $)	%
Electric Housewares and Fans (SIC 3634), total	262	100.0%	$1,511.9	100.0%	$3,128.4	100.0%
By establishment (plant) size:						
Under 20 employees	128	48.9	24.7	1.6	52.7	1.7
20-99 employees	51	19.5	80.9	5.4	172.1	5.5
100-499 employees	58	22.1	586.5	38.8	1,266.1	40.5
500 or more employees	25	9.5	819.8	54.2	1,637.6	52.3

Source: U.S. Bureau of the Census,
1982 Census of Manufactures.

Location of the Industry

The manufacture of housewares is not highly concentrated on a state level. The five leaders account for 48.2% of value added by manufacture, according to the 1982 Census.

States Leading in the Manufacture of Electric Housewares, 1982

	All Plants		Employees		By Manufacture	
	Total	With 20+ Employees	No. (Thous.)	% of Total	Mil. $	% of Total
Electric housewares and fans (SIC 3634), total	263	134	38.7	100.0%	$1,538.5	100.0%
Leading states:	70	39	16.5	42.6	742.5	48.2
Tennessee	11	9	3.5	9.0	182.2	11.8
Wisconsin	11	6	4.0	10.3	170.6	11.1
Ohio	12	6	2.6	6.7	152.4	9.9
New York	25	12	3.4	8.8	128.6	8.4
Pennsylvania	11	6	3.0	7.8	108.7	7.1

Source: U.S. Bureau of the Census,
1982 Census of Manufactures.

ELECTRIC HOUSEWARES SHIPMENTS

Detailed data on the production of electric housewares and fans is provided in the Current Industrial Reports. The Census Bureau interviews all known manufacturers of these products (approximately 110 companies) for the annual reports. A total value of $2.4 billion in domestic shipments was reported for 1986, representing a 5.4% decline from the 1985 total.

Quantity & Value of Shipments of Electric Housewares and Fans
By Product, 1985, 1986

	Quantity (Thous. Units)		Value (Mil. $)		% Change
	1986	1985	1986	1985	1986/85
Electric housewares and fans, total	--	--	$2,308.9	$2,441.1	- 5.4%
Electric housewares, (excluding parts), total*	--	--	1,840.1	1,940.4	- 5.2
Food preparation appliances:					
Broilers with or without rotisseries	413.6	522.5	14.8	18.9	-21.7
Automatic coffee makers, total	14,156.9	13,546.5	263.1	261.7	+ 0.5
Drip type	10,841.9	9,934.5	210.5	203.9	+ 3.2
Percolator or vacuum type	2,526.0	2,794.7	33.0	38.4	-14.1
Urn type	789.0	817.4	19.7	19.5	+ 1.0
Deep fat fryers	2,228.2	2,188.3	29.8	30.0	- 0.7
Ovens and roasters	2,619.2	3,791.6	107.8	156.4	-31.1
Hot plates and disc stoves (1,650 watts or less)	1,503.5	1,627.1	19.4	19.9	- 2.5
Automatic toasters	8,521.0	8,391.5	106.7	110.3	- 3.3
Waffle irons, sandwich grills, griddles and combinations	1,115.6	1,521.6	24.0	37.1	-35.3
Frying pans (skillets)	2,780.6	2,837.6	59.1	61.6	- 4.1
Corn poppers,	3,394.9	4,074.0	36.3	46.2	-21.4
Household food processors	2,147.8	1,642.6	75.7	62.8	+20.5
Household food mixers, total	7,773.6	8,266.1	206.6	216.9	- 4.7
Hand (portable)	2,479.1	2,848.8	28.8	35.0	-17.7
Stand type	1,154.6	1,217.0	92.0	92.4	- 0.4
Blenders (liquefiers) Ice crushers	4,139.9	4,200.3	85.7	89.5	- 4.2
Household food preparation appliances, except mixers and processors	1,372.2	1,503.7	33.0	31.8	+ 3.8
Can openers	4,593.2	4,961.0	54.4	53.4	+ 1.9
Electric irons, standard household types	7,660.0	6,834.0	113.8	104.4	+ 9.0
Electric blankets	4,688.8	4,785.6	122.7	128.0	- 4.1
Electric heating pads	4,726.5	3,832.4	37.4	31.0	+20.6
Hair dryers	506.2	367.1	8.5	5.7	+49.1

(continued)

ELECTRIC HOUSEWARES SHIPMENTS

Quantity & Value of Shipments of Electric Housewares and Fans By Product, 1985, 1986

	Quantity (Thous. Units)		Value (Mil. $)		% Change
	1986	1985	1986	1985	1986/85
Portable humidifiers	4,789.7	4,150.2	$ 58.9	$ 51.1	+15.3%
Air space heaters, total	6,979.9	7,885.3	164.3	195.6	-16.0
Portable room heaters:					
Fan forced type	3,088.6	3,257.9	60.5	72.1	-16.1
Other than fan forced (convector, radiant)	550.2	967.0	16.7	24.4	-31.6
For fixed installations, all types:					
Baseboard, except glass panel	2,253.7	2,363.3	47.5	49.9	- 4.8
Other than baseboard	1,087.4	1,297.0	39.7	49.1	-19.1
Electric fans, except industrial	17,240.6	19,122.3	468.8	500.7	- 6.4
Desk & wall bracket	2,722.5	3,169.5	45.3	51.9	-12.7
Window (household) permanent type	810.6	649.4	15.1	13.4	+12.7
Portable window fans and roll abouts	4,552.2	5,187.0	73.6	96.4	-23.7
Electric range hoods, total	2,521.7	2,455.3	99.0	97.1	+ 2.0
Ducted	1,203.1	1,105.4	59.7	56.9	+ 4.9
Nonducted	1,318.6	1,349.9	39.2	40.1	- 2.2
Oven hoods	97.3	165.3	4.9	8.7	-43.7
Ceiling fans	3,397.6	3,287.8	151.7	151.1	+ 0.4
All other household type ventilating and exhaust fans	3,138.6	4,208.0	79.3	82.2	- 3.5
All other electric fans					

* Includes electric housewares not separately reported, such as shavers, knives, toothbrushes, etc.

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Electric Housewares & Fans, MA36E(86)-1.

ELECTRIC HOUSEWARES SHIPMENTS

Share of Market Data

Data showing approximate breakdowns of electric housewares production by manufacturer has been published by Appliance Magazine in "A Portrait of the U.S Appliance Industry" Sept. 1986. The data is for 1985 and it also includes unit sales totals for the specified products.

Manufacturers' Share of the Electric Housewares Market, 1985

Irons (13,194,000)	
Black & Decker	43%
Sunbean	21
WearEver-ProctorSilex	19
Hamilton Beach	7
Norelco	6
West Bend	3
Others	1

Coffeemakers (Drip) (10,520,000)	
North American Systems	25%
NAP (Norelco)	18
Black & Decker	17
WearEver-ProctorSilex	16
Hamilton Beach	8
Others	16

Toasters (7,483,000)	
WearEver-ProctorSilex	41%
Toastmaster Div., Magic Chef	33
Black & Decker	12
Others	14

Toaster Ovens (3,194,000)	
Black & Decker	60%
WearEver-ProctorSilex	19
Toastmaster Div., Magic Chef	16
Others	5

Blenders (4,839,000)	
Hamilton Beach	38%
Oster	27
Waring	22
Others	13

Can Openers (6,246,000)	
Rival	33%
Black & Decker	24
Oster	11
Sunbean	9
Hamilton Beach	7
Others	16

Food Processors (3,083,000)	
Sunbean	26%
Hamilton Beach	20
Cuisinart	18
Black & Decker	14
Others	22

Source: Appliance Magazine: (Dana Chase Publications), "A Portrait of the U.S. Appliance Industry," Sept. 1986.

Distribution of Manufacturers' Sales

According to the National Housewares Manufacturers Association, 87% of all electric housewares sales are made directly by manufacturers to retailers, a reflection of the buying power possessed by mass merchandisers. The 13% of sales accounted for by wholesale outlets is down from their 20% share five years ago. These findings are based on the responses of 510 manufacturers to NHMA's annual research survey.

ELECTRIC HOUSEWARES SHIPMENTS

Distribution of Manufacturer's Sales (continued)

Percent of Total Dollar Sales By All Housewares Manufacturers
To Retail Outlets, 1981 and 1986

Retail Outlets	1986*	1981**
Mass Merchandisers	35%	28%
Department Stores	11	11
Catalog Showrooms	7	10
Food Stores	7	6
Housewares/Hardware Stores	5	4
Drug Stores	4	6
Variety Stores	4	5
Mail Order	4	2
Home Centers	3	2
All others	7	6

* Retail outlets accounted for 87% of all sales
**Retail outlets accounted for 80% of all sales

Source: National Housewares Manufacturers Association, 20th Annual Marketing Research Study of the Housewares Industry, 1986.

ELECTRIC HOUSEWARES: IMPORTS

Imports of electric housewares to the U.S. increased significantly in 1986 over 1985, according to U.S. Commerce Department data. Big gains were reported in imports of toasters, blenders, grinders and can openers. Hong Kong and Mexico were responsible for much of the gains in these product categories, with Taiwan also a key supplier in toasters and China a key supplier in can openers.

Quantity & Value of Imports of
Specified Electric Housewares, 1985, 1986

	Quantity (Thous. Units)			C.I.F. Value* (Mil. $)		
	1986	1985	% Change 1986/85	1986	1985	% Change 1986/85
Toasters	1,413.7	833.4	+69.6%	$13.9	$ 8.0	+ 73.8%
Coffee makers	3,919.2	2,989.6	+31.1	59.6	56.5	+ 5.5
Electric food blenders, food mixers and juice extractors	5,885.9	3,326.5	+76.9	61.2	30.0	+104.0
Electric food grinders, slicers and choppers	2,783.8	1,675.1	+66.2	43.4	22.7	+ 91.2
Electric fans, except for permanent installation	12,170.5	11,406.9	+ 6.7	98.7	106.6	- 7.4
Electric flat irons	9,043.0	7,453.7	+21.3	89.5	80.0	+ 11.9
Electric shavers	5,901.8	6,893.0	-14.4	88.8	93.6	- 5.1
Electric hair dryers	18,151.8	20,138.0	- 9.9	87.8	103.5	- 15.2
Electric hair curlers	na	na	--	39.3	38.9	+ 1.0
Can openers	4,621.2	2,203.2	+109.7	30.7	14.1	+117.7

na not available

(footnotes continued)

ELECTRIC HOUSEWARES: IMPORTS

* The C.I.F. (cost, insurance, freight) value refers to the value of imports at the first port of entry in the U.S. It is based on the purchase price, as well as all freight, insurance and other charges (excluding U.S. import duties), incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Department of Commerce:
U.S. General Imports (FT135),
December 1985, 1986.

TOP HOUSEWARES SUPPLIERS

The following listing is derived from HFD's compilation of the top 50 housewares producers based in the U.S. The firms were ranked by their estimated sales volume worldwide as of 1986. Sales volume was defined as the company's annual revenue derived from housewares products that moved through traditional retail channels including department stores, mass merchants, hardware stores, supermakrets, catalog showrooms and drug chains.

Leading Housewares Suppliers By Sales Volume, 1986

Rank	Company and Headquarters	Estimated Housewares Sales (In Millions)
1	Allegheny International, Pittsburgh, PA (Sunbeam, Oster)	$775
2	Chicago Pacific Corp., Chicago, IL (Hoover Co/)	750
3	Black & Decker Corp., Towson, MD	600-650
4	Corning Glass Works, Corning, NY	407
5	Rubbermaid Inc., Wooster, OH	400
6	Norelco Consumer Products, Stamford, CT	325
7	Anchor Hocking Corp., Lancaster, OH	320
8	The Eureka Co., Bloomington, IL	275-300
9	WearEver-ProctorSilex, Chillicothe, OH	250
10	Kidde Inc., Saddle Brook, NJ (Faberware)	225-250
11	Ekco Group Inc., Franklin Park, IL	220
12	West Bend Co., West Bend, WI	200
13	Regal Ware Inc., Kewaskum, WI	180-190
14	Hamilton Beach Inc., Waterbury, CT	180
15	Conair Corp., Stamford, CT	160-170
16	Lancaster Colony, Columbus, OH	160
17	Remington Products, Bridgeton, CT	160
18	Newell Cos. Inc., Freeport, IL	156
19	Cuisinarts Inc., Greenwich, CT	150
20	Libbey Glass, Toledo, OH	140
21	Clairol Personal Care, New York, NY	135-145
22	Toastmaster Inc., Columbia, MO (division of Magic Chef)	135
23	Household International, Prospect Heights, IL (Structo, Thermos)	130-135
24	North American Systems, Inc. Bedford Heights, OH (Mr. Coffee)	125
25	Bissell Inc., Grand Rapids, MI	100

Source: "The Top 50 Housewares Suppliers",
HFD - Retailing Home Furnishings, July 28, 1987.

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES
AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Last fall's decline in mortgage rates helped make 1986 the best year for housing in nearly a decade. However, fixed-rate loans have shot up this spring and, despite a rush to beat rising rates that improved April sales, figures for the first half of 1987 are down from the comparable 1986 period. For January - June 1987, housing starts totaled just 831,400 units compared with 932,200 units for 1986, a decline of 10.8%. Housing starts in the South were not appreciable, partly attributable to the slump in energy-related industries.

The builders' trade group anticipates that housing starts will hit an annual rate of 1.6 million by midsummer, off about 10%. Some builders foresee a bigger plunge if mortgage rates rise further. However, underlying demand appears solid and mortgage rates are expected to rise only another half-point by fall, which buyers should be able to adjust to quickly. With a significant proportion of all major appliance sales going to builders, this is encouraging after a poor start to 1987.

New Privately Owned Housing Units Started, Annual 1985 and 1986
and First Half 1986 and 1987
(Thousands of units)

	First Half			Annual		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
Privately owned housing starts	831.4	932.2	-10.8%	1,805.4	1,741.8	+ 3.7%
Northeast	130.3	134.3	- 3.0	293.5	251.7	+16.6
Midwest	150.1	137.7	+ 9.0	295.8	239.7	+23.4
South	327.9	405.4	-19.1	733.1	782.3	- 6.3
West	223.1	254.9	-12.5	483.0	468.2	+ 3.2

Source: U.S. Bureau of the Census,
Construction Reports Division.

Fueled by the proliferation of two-income households, many of which have postponed having children, disposable income is up significantly. Adjusted for inflation, disposable income increased 3% in 1986 after the 2.3% rise in 1985. The 35-44 age bracket, which covers the leading edge of the baby boom generation, registered the largest number of households with income of $30,000 to $39,000. During the last few years, wage increases have generally outpaced the rise in consumer prices, resulting in a net increase in purchasing power for consumers.

THE POTENTIAL MARKET

Total Money Income of Households By Age of Householder, 1985
(Number of households as of March 1986)

		Age of Householder					
	Total	15-24	25-34	35-44	45-55	55-64	65 & Over
Number of households (000)	63,558	3,174	14,894	14,913	10,767	9,744	10,067
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total money income:							
Under $10,000	13.4	33.5	15.2	10.0	8.2	11.0	17.1
$10,000-$19,999	20.7	30.2	20.9	15.0	13.2	18.9	35.7
$20,000-$29,000	20.0	22.5	22.8	19.3	16.8	19.0	20.7
$30,000-$39,000	16.4	8.3	18.5	19.3	17.4	15.6	11.5
$40,000-$49,000	11.2	3.0	11.1	13.5	14.5	12.2	5.8
$50,000-$74,000	12.7	1.9	9.2	16.2	19.9	15.1	6.2
$75,000 & over	5.5	0.5	2.3	6.7	9.9	8.1	3.1
Median income	$27,735	$15,089	$26,023	$32,669	$36,653	$30,605	$19,162
Mean income	32,944	17,437	28,567	37,145	41,563	36,829	25,108

Source: U.S. Bureau of the Census:
Current Population Reports,
(Series P-60, No. 154).

THE CONSUMER MARKET

The value at retail for all major appliances and electric housewares reaching consumers was $24.7 billion in 1986 according to the Bureau of Economic Analysis (U.S. Department of Commerce). This represents a gain of 5.2% over the 1985 total which had increased 8.7% over 1984.

These figures cover the retail value of products reaching consumers through a variety of channels; through retail outlets, as well as direct sales by manufacturers and premiums. An important component of the total is the value of appliances and housewares included in new privately-owned housing units by contractors (the contract market). Not included are sales to the institutional market, such as hospitals and schools.

Personal Consumption Expenditures For Major Appliances
and Electric Housewares, 1984-1986
(Value in millions of dollars)

1986	1985	1984	% Change 1986/85
$24,724	$23,497	$21,617	+ 5.2%

Source: U.S. Department of Commerce,
Bureau of Economic Analysis.

Appliance Magazine, in its September 1986 report entitled "A Portrait of the U.S. Appliance Industry", gives a retail value picture of the U.S. market. The 1985 retail dollar value of major appliances was $16,046,649,000 and electric housewares was $3,397,846,000. Listed separately are retail values for room air conditioners/heaters, air treatments/fans at $3,780,726,000 and for personal care appliances such as hair dryers and shavers at $1,441,002,000.

Household Expenditures on Appliance and Housewares

The U.S. Bureau of Labor Statistics conducts consumer interviews on purchases which are helpful in gauging expenditures on appliances and housewares in terms of various demographic considerations. Included are spending patterns determined by the age and income of householders and whether the housing units are privately-owned or rental. The data covers urban households but, unlike the total personal consumption figures covered above, does not account for the value of appliances and housewares in newly constructed housing units.

Projected Total Expenditures of Urban Households, 1984

	Major Appliances	Small Appliances/ Miscellaneous Housewares
By age of householder:		
Total	100.0%	100.0%
Under 25	4.2	5.8
25-34	24.6	19.8
35-44	22.9	24.5
45-54	17.9	23.3
55-64	17.6	16.3
65-74	9.3	7.8
75 & over	3.4	2.4
By income before taxes of household:		
Total	100.0%	100.0%
Under $5,000	5.7	5.9
$5,000-$9,999	11.5	7.9
$10,000-$14,999	8.3	7.9
$15,000-$19,999	8.5	7.7
$20,000-$29,999	18.2	17.5
$30,000-$39,999	17.8	13.7
$40,000 and over	29.9	39.5
By housing tenure of householder:		
Total	100.0%	100.0%
Homeowner	79.5	74.9
Renter	20.5	24.9

Major appliances includes refrigerators, freezers, dishwashers, stoves, ovens, garbage disposals, vacuum cleaners, microwaves, air conditioners, sewing machines, washing machines, dryers, and floor cleaning equipment.

Small appliances/miscellaneous housewares includes small electrical kitchen appliances, portable heating and cooling equipment, china and other dinnerware, flatware, glassware, silver and other serving pieces, non-electric cookware, and plastic dinnerware. Excludes personal care appliances.

Source: U.S. Bureau of Statistics:
Consumer Expenditure Survey, 1984,
(Bulletin 2267, August 1986).

RETAIL SALES OF HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES BY TYPE OF OUTLET

Another source of information in retail sales of major appliances and electric housewares is The Discount Merchandiser, a publication which publishes an annual issue on market share by store type. This data is a bit more explicit than The Census Bureau data in detailing different store types. Whereas the Census Bureau may group discounters and other store types under "department stores," Discount Merchandiser has separate share of market figures for them.

Major Appliance Sales By Store Type, 1986

	% of total sales in each store type	% of total major appliance sales
Household appliance stores	62.9%	51.8%
TV, Radio stores	6.5	12.1
Furniture stores	5.3	12.0
Auto & Home Supply stores	2.9	6.6
Department stores	1.1	6.3
Discount stores	0.7	4.5
Hardware stores	2.4	2.3
Misc. Gen. Merchandise stores	3.0	1.7
Home Centers	1.1	1.5
Mail Order	3.5	1.2

Small Electric Appliance Sales By Store Type, 1986

	% of total sales in each store type	% of total small electric appliance sales
Discount stores	2.4%	33.1%
Drug & Proprietary stores	1.6	15.3
Department stores	1.2	15.1
Catalog showrooms	6.1	10.0
Misc. Gen. Merchandise stores	4.4	5.6
Supermarkets & Grocery stores	0.1	5.3
Hardware stores	2.1	4.4
Household Appliance stores	2.4	4.4
Auto & Home Supply stores	0.7	3.5
Variety stores	2.0	3.3

Source: The Discount Merchandiser, June 1987.

Data on total retail sales of major appliances and electric housewares was presented in the section on The Consumer Market. The most authoritative sales breakout of this merchandise by type of retail outlet is contained in the U.S. Census Bureau's report on retail trade. Undertaken every five years (the 1982 Census was published in late 1985), the Census of Retail Trade provides data on merchandise line sales of appliances and housewares, shown below. This data is supplemented by more recent figures to show trends in the industry.

RETAIL SALES OF HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES BY TYPE OF OUTLET

Major Household Appliance Sales By Major Retail Outlet Type, 1982
(In retail establishments with payroll)

	Establishments		Sales by Outlet Type	
	Number	Percent	Thous. $	Percent
Major appliances, total	61,383	100.0%	$11,336,558	100.0%
Household appliance stores	10,239	16.7	3,625,163	32.0
Department stores*	6,286	10.2	3,585,980	31.6
Radio/TV stores	2,691	4.4	634,021	5.6
Building materials, hardware garden supply, mobile home dealers	9,008	14.7	479,756	4.2
Nonstore retailers	5,270	8.6	1,086,808	9.6
Mail order houses**	3,318	5.4	510,137	4.5
Direct selling establishments	1,952	3.2	576,671	5.1
Other retailers	27,889	45.4	1,924,830	17.0

* In 1982, leased department are not included in data on stores in which they are operated. They are counted as separate establishments in the appropriate kind-of-business specialty store classification. Sales from catalog order desks are included in department store data.

**See above footnote (*) regarding catalog order desks.

Source: U.S. Bureau of the Census, 1982 Census of Retail Trade.

Department stores accounted for 31.6% of reported major appliance sales in major outlets. As defined by the Census Bureau, "department stores" consists of three components: conventional department stores, discounters/mass merchandisers, and department stores operated by national chains such as Sears and Penney. The latter two groups account for a major share of children's wear business.

The Census of Retail Trade does not include a breakdown on how much appliance business was done by each of these department store operations in 1982. However, there is a breakdown of total store sales for the year: conventional accounted for 32.0%; discount/mass merchandisers, 39.1%; national chains, 38.9%. The mass merchandiser/discounter department stores (which represented 76% of all department store establishments and 68% of department store sales in 1982) have increased their shares since the census was compiled.

RETAIL SALES OF HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES BY TYPE OF OUTLET

Small Electric Appliance Sales By Leading Retail Outlet Types, 1982

	No. of Establishments	Sales (thous. $)	Percent of Sales
Small electric housewares	69,910	$ 4,380,812	100.0%
Leading outlet types:			
Building materials, hardware, garden supply, mobile home dealers	10,702	243,553	5.6
Department stores	8,891	2,115,475	48.3
Variety and other general merchandise stores	14,308	730,457	16.4
Grocery stores	3,995	201,735	4.6
Household appliance stores	1,758	141,502	3.2
Drug stores	14,559	561,945	12.8
Nonstore retailers:			
Mail order houses*	3,098	153,560	3.5
All other outlets	12,599	232,585	5.6

* See footnote on above table.

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade.

Household Appliance Stores

In the first six months of 1987, sales of appliance stores gained 2.8% compared with sales in the same 1986 period, according to the Census Bureau. This compares with a 5% gain in sales reported for all durable goods stores. For the year 1986, sales of appliance stores totaled $9,564 million, 4.7% over the 1985 total of $9,137 million.

The monthly pattern in sales of appliance dealers was as follows in 1986 and 1985.

Monthly Sales Pattern in Household Appliance Store Sales, 1985, 1986

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1986	7.6%	6.4%	7.2%	7.2%	8.1%	8.3%	9.2%	8.6%	8.1%	8.6%	8.7%	12.0%	100.0%
1985	7.0	6.5	7.1	7.0	8.0	8.2	8.8	8.7	8.2	9.2	9.3	12.0	100.0

Source: Based on U.S. Bureau of the Census,
Revised Monthly Retail Sales.

RETAIL SALES OF HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES BY TYPE OF OUTLET

Household Applicance Stores (continued)

In reporting on merchandise line sales in 1982, based on a complete census of retail trade, the U.S. Bureau of the Census has included the following information on major appliance and small electric appliance sales in appliance stores with payroll.

Major Appliance & Small Electric Appliance Sales in Household Appliance Stores, 1982

	Established Selling Merchandise Line	Sales of Specified Merchandise Line		
		Total (thous.) $	% of Total Sales of: Stores Selling Line	All Appliance Stores
Major appliances	10,239	$3,625,163	64.7%	63.6%
Kitchen appliances	8,198	2,019,581	39.5	35.4
Laundry appliances	6,969	886,145	20.0	15.6
Other major household appliances	7,631	719,437	16.9	12.6
Small electric appliances	1,758	141,502	10.9	2.5

Source: U.S. Bureau of the Census, 1982 Census of Retail Trade.

Major appliances and small electric appliances make up about two thirds of total household appliance store sales, with the remainder divided among home entertainment products, housewares, furniture and other miscellaneous types of merchandise.

Department Stores

The latest detail on department store sales by merchadise line is from the 1982 Census of Retail Trade (U.S. Bureau of the Census), as noted below.

Sales of Major Appliances/Electric Housewares in Department Stores, 1982

			Sales of Specified Merchandise Line % of Total Sales of --	
	No. of Stores Selling Line	Total (thous.)	Stores selling the line	All Dept. Store Sales
Major household appliances	6,286	$3,585,980	5.2%	3.6%
Kitchen appliances	3,149	1,731,468	3.8	1.7
Laundry appliances	2,145	798,540	2.1	0.8
Other	5,482	1,055,972	1.7	1.1
Small electric appliances	8,891	2,115,475	2.4	2.1

Note: The department store classification includes conventional department stores and discounters. Department stores operated by national catalog chains, such as Sears, Roebuck & Co., are also included.

Source: U.S. Bureau of the Census, Census of Retail Trade.

RETAIL SALES OF HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES BY TYPE OF OUTLET

Department Stores (continued)

An annual report on typical (median) merchandising and operating results of departments within department stores with annual sales of $1 million or more is compiled by the National Retail Merchants Association. Results for appliance and electric housewares departments have been reported for 1985.

Merchandising & Operating Results of Major Appliances & Electric Housewares In Department Stores with Total Sales Over $1 Million, 1985
(Median results)

	Total Home Furnishings (83)	Major Appliances (28)	Housewares and small Appliances (76)
Net sales, % change from last year	+ 0.9%	- 4.8%	- 0.7%
Sales, % to total store sales	14.3	0.8	2.4
$ sales per square foot of selling space (main or largest selling unit)	$ 87.3	$159.3	$121.9
Cumulative markon, %	45.4	26.1	39.4
Gross margin, % of sales (incl. cash discounts)	36.7	21.2	30.6
Advertising, % of net sales	4.0	3.2	3.8
Selling salaries, % of net sales	8.2	7.4	8.3
Number of stock turns (times)	1.9	3.3	1.8

* Number in parentheses refers to the number of companies reporting in each category.

Source: National Retail Merchants Association: Merchandising and Operating Results of 1985, (1986 Edition).

Top Major Appliance Retailers, 1986

Rank	Company (and Headquarters)	Major Appliance Volume (Mil. $)	No. of Stores
1	Sears, Chicago, IL	$4,500-5,000	807
2	Montgomery Ward, Chicago, IL	500-600*	295
3	Silo, Philadelphia, PA	200*	120
4	Circuit City Stores, Richmond,VA	182	87
5	Lowe's, North Wilkesboro, NC	151	305
6	Highland Superstores, Taylor, MI	136	53
7	Tandy Name Brand, Fort Worth, TX	102	253
8	ABC Appliance, Auburn Hills, MI	100	13
9	P.C. Richard, Hauppage, NY	97	17
10	Fretter, Livonia, MI	93	45
11	Newmark & Lewis, Hicksville, NY	85	40
12	Lechmere, Woburn, MA	80*	17
13	Tops Appliance City, Edison, NJ	79	22
14	Brick Church Appliance, Orange, NJ	70	21
15	The Appliance Store, Pittsburgh, PA	65	31
16	Kaufman & Roberts, Miami, FL	62	22
17	Polk Bros., Chicago, IL	50*	10
18	Audio/Video Affiliates, Dayton, OH	50	106
19	Luskin's, Baltimore, MD	45-55	52
20	Fred Schmid, Denver, CO	47	18

* Estimate

Source: HFD - Retailing Home Furnishings, August 10, 1987.

RETAIL SALES OF HOUSEHOLD APPLIANCES & ELECTRIC HOUSEWARES BY AREA

The Top 25 Metropolitan Markets For Sales of Major Household Appliances, 1985

		Major Household Appliance Sales (Mil. $)	% of Total
1.	Los Angeles/Long Beach, CA	590.2	3.6%
2.	New York, NY	385.2	2.4
3.	Chicago, IL	354.5	2.2
4.	Philadelphia, PA	297.8	1.8
5.	Boston/Lawrence/Salem, MA	268.9	1.7
6.	Detroit, MI	254.4	1.6
7.	Houston, TX	253.8	1.6
8.	Washington, D.C.	241.9	1.5
9.	Dallas,TX	192.3	1.2
10.	Nassau/Suffolk, NY	191.6	1.2
11.	St. Louis, MO	172.9	1.1
12.	Tampa/St. Petersburg/Clearwater, FL	171.5	1.1
13.	Minneapolis/St. Paul, MN	167.0	1.0
14.	Atlanta, GA	162.2	1.0
15.	San Diego, CA	158.7	1.0
16.	Anaheim/Santa Ana, CA	151.4	0.9
17.	Baltimore, MD	145.5	0.9
18.	Denver, CO	145.1	0.9
19.	Oakland, CA	144.5	0.9
20.	Miami/Hialeah, FL	139.8	0.9
21.	Cleveland, OH	134.2	0.8
22.	Phoenix, AZ	132.8	0.8
23.	Bergen/Passaic, NJ	128.8	0.8
24.	Kansas City, MO-KS	126.8	0.8
25.	San Jose, CA	124.6	0.8
	25 Metropolitan Markets, total	5,236.4	32.2
	U.S. total	16,242.2	100.0

Source: Based on Sales & Marketing Management, "Survey of Buying Power", 1986 Edition. All rights reserved.

CONSUMER PRICES

Consumer prices for appliances,as reported by the U.S. Bureau of Labor Statistics, fell slightly in 1986 from 1985, a downward trend that has continued into 1987. Prices for microwaves, for example, continue to spiral down, making them far more affordable than just a few years ago. Laundry equipment, as in the near past, remains an exception.

CONSUMER PRICES

Consumer Price Indexes For Specified Major Appliances, Annual 1985, 1986 and June 1986, 1987

	June Monthly Averages			Annual Averages		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
All items (1967=100)	340.1	327.9	+ 3.7%	328.4	322.2	+ 1.9%
Household appliances (1967=100)	*	184.9	--	183.8	184.7	- 0.5
Refrigerators & home freezers (1967=100)	193.4	193.6	- 0.1	192.4	194.3	- 1.0
Laundry equipment (12/77=100)	148.1	147.6	+ 0.3	149.0	147.8	+ 0.8
Stoves, dishwashers, vacuums and sewing machines (12/77=100)	*	121.8	--	119.6	121.2	- 1.3
Office machines, small electric appliances, and air conditioners (12/77=100)	*	120.0	--	119.9	120.0	- 0.1

* Categories were changed in 1987

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

ADVERTISING

Leading Advertisers

In its Leading National Advertisers report, the Publishers Information Bureau details purchases of consumer magazine advertising space for appliance and housewares manufacturers. Annual data for 1985 and 1986 for some industry leaders is below.

Leading Appliance and Housewares Advertisers In Consumer Magazine Spending: 1985, 1986

	Expenditures ($000)	
	1986	1985
Refrigerators & Freezers:		
General Electric	$2,118.7	$1,349.9
Whirlpool	1,290.5	1,496.2
Stoves & Ranges:		
Whirlpool	3,816.2	1,747.8
General Electric	2,146.2*	381.1
Maytag	1,343.2	879.1
Sharp	696.6	544.4
Panasonic	563.6	1,212.3
Caloric	524.8	635.0

(continued)

ADVERTISING

Leading Advertisers

Leading Appliance and Housewares Advertisers In Consumer Magazine Spending: 1985, 1986

	Expenditures ($000)	
	1986	1985
Vacuum Cleaners:		
Eureka	1,406.9	911.9
Black & Decker Dustbuster	1,120.6	57.7
Regina	455.4	--
Kenmore (Sears)	334.4	--
Hoover	266.5	594.6
Dishwashers·		
Whirlpool	4,392.8	2,711.2
Small Kitchen Appliances:		
Black & Decker	3,528.4	3,696.8
Cuisinart	2,793.4	4,120.6
West Bend	1,465.2	1,238.2
Oster	885.2	402.4

* The 1986 figure includes more than $1 million in expenditures on ad space for microwave oven advertising; there was just a minimal amount spent on this in 1985.

Source: Publishers Information Bureau, Leading National Advertisers.

According to the PIB, the total spent for space by all leading advertisers of refrigerators and freezers fell 5% in 1986 from 1985. Expenditures for stove and range advertising space dropped 8.6% while vacuum cleaner and dishwasher ad spending together rose 23.2%.

Percent of Year's Total Newspaper Advertising Linage Done By Retailers Each Month, 1986

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Clothes Dryers	6.9	8.1	10.5	8.6	7.7	7.3	8.7	8.0	9.9	10.1	9.4	4.8	100.0%
Clothes Washers	8.6	8.6	9.4	9.5	7.5	7.2	7.8	8.0	10.2	9.3	8.9	5.0	100.0
Microwave Ovens	6.1	8.3	7.2	7.7	9.1	5.0	6.2	7.7	8.2	8.6	12.5	13.4	100.0
Refrigerators	6.6	7.8	7.9	8.7	8.8	11.1	12.1	8.5	9.8	6.7	6.8	5.2	100.0
Vacuum Cleaners	5.4	8.2	8.2	10.6	7.2	6.2	6.6	10.1	7.5	11.0	9.3	9.7	100.0

Source: Advertising Checking Bureau, 1986, (1988 Newspaper Advertising Planbook).

CONSUMER BUYING HABITS

The Replacement Market

The market for major appliances is expected to get a huge boost over the next ten to fifteen years from replacement purchases. The prime buyers of replacement appliances, the 35 to 44 age group, will grow steadily for the rest of the century, peaking at a projected 16.3% of the total U.S. population. These are the years when most people make their second or third purchases and, in addition, desire to trade up, paying for additional features that will differentiate their new appliances from the first unit probably bought with their home. Trading up may include purchasing a refrigerator a few cubic feet bigger or perhaps more timesaving features. One industry executive believes that 95% of replacements are trade ups.

Another key factor contributing to the life of appliances is changing lifestyles. The increasing number of working women, singles and two-income households has contributed to the average consumer eating out 3.7 times per week, according to the National Restaurant Association. This figure is expected to rise in the years to come. Fast food, combined with huge microwave oven sales, are depressing the replacement market for ranges.

Average Life Expectancy of Major Appliances, 1985

	Number of Years
Compactors	10
Dishwashers	11
Electric dryers	13
Freezers	15
Microwave ovens	11
Electric free-standing ranges	15
Gas free-standing ranges	15
Refrigerators	13
Automatic washers	12
Room air conditioners	11
Vacuum cleaners	11

Note: The life cycle of a product ends when the product is either replaced or discarded.

Source: Appliance Magazine: (Dana Chase Publications), "A Portrait of the U.S. Appliance Industry" Sept. 1986.

Electric Fans

Of all fan classifications, ceiling fans scored highest with consumers intending to purchase a fan, according to a study conducted for Chain Store Age by Leo J. Shapiro & Associates. Nearly half indicated that they would most likely buy a ceiling unit if they were to purchase another model while 20% of those surveyed said they "would definitely" or "probably would" purchase one within the next 12 months (the survey was done in early 1987). Oscillating models and box fans trailed behind. Data on where consumers purchase their fans and for which rooms is detailed below.

Electric Fans (continued)

Consumer Purchases of Fans By Oultet Type, 1987

Discount stores	26.4%
Sears, Penney, Ward	14.9
Home centers	11.3
Specialty stores	7.6
Department stores	5.6
Appliance stores	2.2
Others	32.0

Fan Purchases By Room They Are Intended For, 1987

Bedroom	38.0%
Living room	33.0
Kitchen	16.0
Family room	6.0
Dining room	5.0
Others	2.0

Source: Chain Store Age/
Leo J. Shapiro & Associates.

Market saturation levels compiled by Appliance show a very high level for irons and toasters and rapid growth in ownership of coffeemakers. These figures are based on reports from manufacturers.

Percentage of U.S. Households With Specified Electric Housewares, 1983 and 1985

	1985	1983
Irons	99.9%	99.9%
Coffeemakers (Drip)	65.0	57.0
Toasters	99.9	99.9
Toaster ovens	36.0	21.0
Blenders	62.0	60.0
Can openers	75.0	74.0
Food processors	40.0	22.0

Source: Appliance Magazine: (Dana Chase Publications),
"A Portrait of the U.S. Appliance Industry" Sept. 1986.

HOME ENTERTAINMENT PRODUCTS

Market Trends

Televisions

The accelerating demand for color television sets continued in 1986, to the point that they now represent more than 20% of the total factory dollar volume of consumer electronic products. Upwards of 18 million units were sold to dealers during the year. Of these, half were purchased by consumers as an additional set, about 40% were replacement models and just 10% were to first time purchasers. Particularly popular, according to the Electronic Industries Association, are units with wireless remote control and, with nearly 50% of all TV homes presently hooked into a cable television system, units that are cable-compatible.

Black & white television sets remain popular due to their portability, with many units designed for battery operation. Gaining increasing acceptance among the nation's television viewers are giant-screen projection televisions. Costs are still high but their average prices are declining. An explosive area of growth in TV production over the next decade may lie in sets that use liquid crystal display (LCD) technology. Very expensive at this point, these sets are potentially slimmer, lighter and more energy efficient than current models.

Video Cassette Recorders

VCR sales topped 13.5 million units in 1986 with sales valued at more than $5.25 billion. Household penetration is expected to reach 50% by the end of 1987, as their popularity, thought still high, begins to level off. Contributing to this growth has been consumer acceptance of camcorders, a one-piece camera-recorder combination with sales of nearly $1.3 billion in 1986, more than double the 1985 total. Many camcorders are purchased by consumers that already own home VCR's and have a desire for a simple to use, lightweight camera.

The growth of a camcorder sales comes despite the fact that a strong yen has kept prices from falling. The average price tops $1,000 and is expected to remain at this level for the near future. The issue, therefore, centers on which manufacturers can incorporate the most features at this price point.

A hybrid video-audio compact disc (audio CD's are discussed below) has been rolled out in mid-1987. The hybrid will permit users to watch their favorite rock group perform for five minutes, accompanies by 20 additional minutes of audio minus the video. Record companies wanted a video CD that they could sell like an MTV clip and, they hope, will become the 45 single of the future. The catch is that this type of CD requires the user to buy a new type of player bearing an approximate cost of $800. In development are portable players with liquid-crystal display screens in color, permitting the user to play their video clips even while they walk down the street.

Market Trends (continued)

Audio Systems

Sales of compact disc players, the industry's "hot" product (they first appeared on the market in 1983) continue to surge, with 1986 sales up an estimated 66% from 1985. A reduction in the price of players and an increased availability of discs in 1985 started what is, in essence, a revolution in the reproduction of high-fidelity sound. These digital recordings are distortion-free and are designed for use with home component stereo systems. All major music companies are releasing current albums in the CD format, with a typical CD recording about double the price of its release as a cassette. Digital recorders that rely on the same technology as CD players are still prohibitively expensive but are expected to gain popularity in a few years; this poses a significant threat to cassette recorders.

In another development, there has been a recent trend away from all-in-one audio systems, called compacts, that generally contain a turntable, receiver and cassette player. More and more, dealers are pushing what are referred to as uni-brand systems, separate components sold by one manufacturer. This relieves purchases of the difficulty involved in matching units produced by different companies for compatibility.

Home Entertainment Product Shipments

Factory Sales of Home Entertainment Products, 1983-1986
(Including imports; millions of dollars)

	1986	1985	1984	1983	% Change 1986/85
Color televisions	$6,024	$5,562	$5,538	$5,002	+ 8.3%
Black & white televisions	328	309	419	465	+ 6.1
Projection televisions	529	488	385	268	+ 8.4
Video cassette recorders	5,258	4,738	3,585	2,162	+11.0
Video disc players	45	45	45	81	--
Audio systems	1,370	1,372	976	630	- 0.1
Home radio	408	379	661	565	+ 7.7
Separate audio components	1,358	1,132	913	1,268	+20.0
Portable audio tape equipment	1,389	1,140	1,191	1,102	+21.8
Blank audio cassettes	304	277	275	249	+ 9.7
Blank video cassettes	1,480	1,285	931	580	+15.2

Source: Electronic Industries Association.

HOME ENTERTAINMENT PRODUCT SHIPMENTS

Share of Market Data

Data on the leading manufacturers of television and video cassette recorders for 1985 is contained in an analysis of the industry compiled by Appliance magazine. Private brands are included in the data.

Manufacturers' Share of the Home Entertainment Product Market, 1985

Color televisions	
RCA	18%
Zenith	16
NAP (Magnavox, Sylvania, Philco)	10
Matsushita (Panasonic/Quasar)	8
Sony	8
Sanyo	7
GE	6
Hitachi	3
Sharp	3
Fisher	3
Mitsubishi	2
Samsung	2
Goldstar	1
Toshiba	1
Curtis Mathes	1
All others	11

Video cassette recorders	
Matsushita (Panasonic/Quasar)	25%
Hitachi	17
Sanyo	10
JVC	7
Sony	6
Pioneer	6
Sharp	5
Mitsubishi	4
All others	20

Black and white televisions	
Samsung	13%
Sanyo	11
RCA	10
Matsushita	10
NAP	9
Zenith	9
Sony	5
Goldstar	5
Sharp	2
All others	26

Source: Appliance Magazine: (Dana Chase Publications), "A Portrait of the U.S. Appliance Industry" Sept. 1986.

Home Entertainment Product Ownership

Estimated Household Penetration By Product, 1987

All televisions	98%
Radios	98
Color televisions	93
Stereo systems	89
Videocassette recorders	45
Home computers	18
Telephone-answering machines	17
Cordless telephones	16
Compact-disc players	7

Source: Electronic Industries Association, (U.S. News & World Report, August 17, 1987).

HOME ENTERTAINMENT PRODUCT OWNERSHIP

VCR Penetration

Probably no single product introduction over the past decade has changed the fact of home entertainment to the extent that videocassette recorders have. VCR's give viewers the ability to rearrange time to suit their viewing convenience and permit them to develop their own programming. VCR's have steadily increased in sales since 1978 and, as of February 1987, were in 48.7% of TV households. Just three years before, their penetration was only 10.6%. One estimate suggests that by 1990, 72% of homes will have VCR's.

VCR Households and Percent Penetration, 1983-1987

	VCR Households (000)	% of TV Households
1983	4,580	5.5%
1984	8,880	10.6
1985	17,600	20.8
1986	30,920	36.0
1987	42,560	48.7

VCR Penetration By Region, 1986-1987

	1987	1986
Northeast	52.5%	39.2%
East Central	44.4	29.7
West Central	46.4	33.7
South	44.1	31.7
Pacific	56.9	46.3

Source: A.C. Nielsen,
(Multichannel News, July 27, 1987).

HOME ENTERTAINMENT FOREIGN TRADE: IMPORTS

U.S. imports of Home Enterntainment products presented a mixed picture in 1986, with varying performances from their 1985 levels. Color television, audio system and video cassette recorder imports were up in value while balck & white television and radio imports were down. The Department of Commerce reported a dramatic 98.7% growth in import value for audio systems despite the fact that the number of units imported decreased 7.3%. This is an indication of the growing trend to trading up and higher tech products.

Foreign producers of television sets dominate the U.S. market, all the more so following the July 1987 purchase of the GE/RCA consumer electronic business by France's Thomson S.A. This leaves Zenith Electronic Corp. as the only major U.S owned producer of color television sets; it presently accounts for about 15% of the U.S. market. In the mid-1970's, there were 15 major U.S.-owned makers of color TV's. Some were acquired by foreign companies (Quasar, Sylvania, Magnavox) while others ceased production because of heavy competition (Admiral, Motorola).

HOME ENTERTAINMENT FOREIGN TRADE: IMPORTS

Though VCR imports increased in 1986 from 1985, their rate of growth was far below the enormous increase from 1984 to 1985. This reflects a lessening of demand in the U.S. market as household penetration starts to approach saturation levels. There still is significant demand; but not approaching that of the past few years, when household penetration grew by 10% or more annually. Imports of VCR's which account for about 85% of the U.S. market, were also affected by the increased assembly of VCR's by Korean and Japanese companies in the U.S.. Another factor was a self-imposed restriction in VCR exports by the Korean Government. Korea decided to cut back on domestic production because its need for some Japanese components used in the production of its VCR's was having a negative impact on the Korean trade balance with Japan.

Imports of Home Entertainment Products, 1985-1986

	Units (In Thousands)			U.S. Customs Value (Mil. $)		
	1986	1985	% Change 1986/85	1986	1985	% Change 1986/85
Color televisions	9,755	7,685	+26.9%	$1,525.2	$1,113.8	+36.9%
Black & white televisions	6,556	6,381	+ 2.7	325.3	349.1	- 6.8
Home radios	40,455	43,501	- 7.0	533.0	609.8	-12.6
Audio systems	3,047	3,286	- 7.3	766.6	385.9	+98.7
Video cassette recorders/ players	17,605	16,262	+ 8.3	4,403.7	4,165.1	+ 5.7

Source: U.S. Department of Commerce.

Home Entertainment Foreign Trade: Exports

U.S. exports of home entertainment products are insignificant when compared with their imports. As with the 1986 performance of imports, there was a mixed picture with exports. The value of color televisions, home radios and audio systems was up while the value of black & white televisions and VCR's were down.

Exports of Home Entertainment Products, 1985-1986

	Units (In Thousands)			U.S. Customs Value (Mil. $)		
	1986	1985	% Change 1986/85	1986	1985	% Change 1986/85
Color televisions	357	267	+ 33.7%	$116.9	$ 85.8	+36.2%
Black & white televisions	77	101	- 23.8	10.9	11.6	- 6.0
Home radios	760	523	+ 45.3	17.8	14.0	+27.1
Audio systems	251	122	+105.7	34.6	25.0	+38.1
Video cassette recorders/ players	27	28	- 3.6	67.0	68.8	- 2.6

Source: U.S. Department of Commerce.

HOME ENTERTAINMENT PRODUCT SALES BY TYPE OF OUTLET

The top 200 retailers of home entertainment products, as reported by HFD - Retailing Home Furnishings (July 27, 1987), had sales totaling $22.1 billion in 1986, an increase of over $1 billion from 1985 and up from their 1984 total of $17 billion. The largest retailers continued to dominate, with the top 10 accounting for sales of $10.3 billion, close to half the total. Topping the list again was Tandy Corp.'s Radio Shack, with $2.4 billion in sales.

Mass merchants, including K mart and Sears, accounted for the largest share of retail distribution with 30% of total consumer electronics sales, down from their 35% share in 1985. Electronics specialty chains among the top 200 retailers had sales of $5.3 billion, representing 24% of the total.

Home Entertainment Retail Sales By Store Type, 1984 and 1986
(Based on total volume of the top 200 retailers)

	1986	1984
Mass merchants	30%	34%
Electronics specialty chains	24	30
Electronics appliance chains	22	15
Department stores	8	7
Catalog showrooms	7	8
Other*	9	6

* Includes military exchanges, furniture dealers, home and auto specialty chains, drug and toy chains.

Top Home Entertainment Product Retailers, 1986

Rank	Company (and headquarters)	Electronics Volume (Mil. $)	No. of Stores	Type of Outlet
1	Radio Shack, Fort Worth, TX	$2,428	7,132	Specialty stores
2	K mart, Troy, MI	1,980-2,000*	2,200	Mass merchant
3	Sears, Chicago, IL	1,500-1,800*	807	Mass merchant
4	Service Merchandise, Nashville, TN	950-1,000*	298	Catalog showroom
5	Circuit City Stores, Richmond, VA	820	87	Appliance stores
6	Montgomery Ward, Chicago, IL	590*	295	Mass merchant
7	Wal-Mart Stores, Bentonville, AR	590-600*	976	Mass merchant
8	Best Products Co., Richmond, VA	525*	194	Catalog showroom
9	Silo Inc., Philadelphia, PA	500	120	Appliance stores
10	Highland Superstores, Taylor, MI	483	53	Appliance stores
11	Target, Minneapolis, MN	400-500*	246	Mass merchant
12	J.C. Penney, New York, NY	450-475*	574	Mass merchant
13	Federated Group, City of Commerce, CA	430	65	Specialty stores
14	Curtis Mathes, Irving, TX	400	650	Specialty stores
15	Crazy Eddie Inc., Edison, NJ	353	36	Specialty stores
16	Platt Music Co., Torrance, CA**	265	104	Department store
17	Toys "R" Us, Rochelle Park, NJ	260*	271	Toy chain
18	Audio/Video Affiliates, Dayton, OH	229	106	Appliance stores
19	Tandy Name Brand, Fort Worth, TX	213	253	Specialty stores
20	Lechmere, Wovurn, MA	200-215*	17	Appliance stores

* Estimate
**Department store leasee

Source: "Focus 200: The Nation's Leading Consumer Electronics Retailers", HFD - Retailing Home Furnishings, July 27, 1987.

CONSUMER PRICE TRENDS

The home entertainment industry has consistently been able to produce better quality and more sophisticated products without price increases by taking advantage of rapidly advancing technology. Though prices may be high initially when a product is first introduced (as is the case right now with projection televisions), prices typically fall as the product gains increasing consumer acceptance (for example, videocassette recorders). Also, contributing to stable prices in the industry is its competitiveness and the reliance on low-cost foreign-produced components.

Consumer Price Indexes For Specified Home Entertainment Products
Annual 1985, 1986 and June 1986, 1987

	June Monthly Averages			Annual Averages		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
Appliances, including electronic equipment (1967=100)	137.3	140.1	- 2.0%	139.5	143.0	-2.4%
Television and sound equipment (12/77=100)	90.5	93.2	- 2.9	92.8	96.9	-4.2
Television (1967=100)	79.4	83.4	- 4.8	83.1	88.6	-6.2
Sound equipment (12/77=100)	103.2	102.7	+ 0.5	102.3	105.2	-2.8

Source: U.S. Bureau of Labor Statistics.

ADVERTISING

According to Advertising Age (September 4, 1986), national advertising expenditures for home entertainment products totaled $278.6 million. The breakout by media is below.

Share of Home Entertainment Product Advertising By Media

Newspapers	11.0%
Magazines	34.6
Newspaper supplements	0.4
Network television	16.1
Spot television	23.9
Network radio	1.8
Spot radio	3.5
Outdoor	0.8
Network cable	7.9

Source: Advertising Age, (September 4, 1986).

Percent of Year's Total Newspaper Advertising Linage
Done By Retailers Each Month, 1986

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Radios	4.9	6.7	7.1	5.5	8.4	8.8	8.1	9.2	7.6	8.4	10.8	14.5	100.0%
Stereo Sets	5.7	7.1	8.3	6.5	8.0	8.0	5.4	9.3	8.5	10.0	11.3	11.9	100.0%
Televisions	7.0	7.5	7.5	7.2	7.8	7.5	6.2	8.5	8.5	9.1	10.9	12.3	100.0%

Source: Advertising Checking Bureau, 1986,
(1988 Newspaper Advertising Planbook).

CONSUMER BUYING HABITS

Television Sets

According to the latest Chain Store Age/Leo J. Shapiro & Associates survey (Chain Store Age, July 1987), the most popular of all television features is remote control, regardless of which room the set is purchased for. Approximately 2 out of 3 desire remote control for their next T.V. purchase. In last year's survey, just over half the respondents indicated that this feature was essential. About 64% of the respondents want their next television to be a portable; 28% plan to buy a console and the remaining 8% a projection television.

Where Consumers Will Place The Next T.V. They Purchase, 1987

Living Room	47.4%
Bedroom	21.3
Family room	11.3
Den	9.6
Kitchen	2.4
Basement	0.7
Guest room	0.2
Other	4.9
No answer	2.2

Source: Chain Store Age/
Leo J. Shapiro & Associates.

Videocassette Recorders

A study on VCR ownership conducted by National Demographics & Lifestyles (Dealerscope Merchandising, September 1986) links ownership to affluence and youth. It shows that VCR owners are predominantly 25 to 44 years old with the individual's income reaching $40,000 or more. The following table shows what percent of the U.S. population in each age and income classification owns a VCR.

VCR Penetration By Age and Income

	Income of Head of Household (Thous. of Dollars)								
Age	Under $10	$10-14	$15-19	$20-24	$25-29	$30-34	$35-39	$40-50	$50+
25-34	20.8	27.0	26.4	30.7	32.5	35.1	36.7	39.6	42.2
35-44	17.8	21.0	24.3	25.9	30.0	32.3	33.0	35.7	39.7
45-54	12.6	11.2	16.6	18.7	19.8	25.0	24.4	28.3	30.9
55-64	6.0	8.4	10.7	13.7	14.5	17.4	19.6	21.8	25.9
65+	2.7	4.1	6.3	8.4	10.2	12.3	16.9	14.9	16.2

Source: National Demographics & Lifestyles,
(Dealerscope Merchandising, September 1986).

Videocassette Recorders (continued)

A 1986 survey on the VCR market, conducted by Market Facts Inc., sheds additional light on the characteristics of users. Although the units can be found in all demographic segments, VCR owners are likely to have larger households and, as indicated above, higher incomes and relatively young ages. Adults are the principal users of VCR's, with males somewhat more likely to use then than females.

The most important features purchasers desire in a VCR are cable compatibility, wireless remote control and high-speed forward/reverse. The most important factors in the consumer's purchasing decision are picture quality, price and format.

Data on VCR usage patterns was published in the July 27, 1987 issue of Multichannel News. Drawing on Nielsen reports, it shows what VCR users record and when.

VCR Recording By Set Status and Source, February 1987
(Figures are for an average week)

Set status:	
Set off	49%
Set on:	
Same channel that is being watched	33
Different channel than is being watched	18
Source of program:	
Network	72%
Independents	11
Public television	4
Pay service	9
Cable origination	4

Source: A.C. Nielsen,
(Multichannel News, July 27, 1987).

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD APPLIANCES, ELECTRIC HOUSEWARES, HOME ENTERTAINMENT PRODUCTS: Covers a broad range of products included in these three classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market. Departmental merchandising and operating results in department stores and in men's wear stores are covered.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS (A Fact File Special Edition): Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specific products; concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics on sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible.

TABLETOP & GIFTWARES: Statistics included for these industries include those on both the manufacturing and retailing levels. There's coverage of production and shipments; foreign trade; retail sales; plus data on the consumer market including buying habits and expenditures.

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures, foreign trade. Consumer expenditures by product are detailed, as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specific products.

WOMEN'S COATS, SUITS, RAINWEAR, AND FURS: Data from the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women. Also covers sales estimates and operating results in department and specialty store.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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